



## *Giving Closely Held Stock Through NCF*

Gifts of appreciated holdings will allow you a greater opportunity to get resources into the hands of those who further the mission of things you believe in. The tax benefits of giving rather than selling (or retaining the asset in your name) can be significant – such as avoiding any gain on sale, and receiving a tax deduction of the fair market value of your gift.

### **Here's how it works.**

1. As you and your advisor decide that a gift of an interest is appropriate in your financial and philanthropic planning, submit the following documents to NCF:
  - Articles of Incorporation and amendments
  - Current Bylaws
  - Listing of authorized shares and shareholders
  - Shareholder's Agreement and amendments
  - Any agreements restricting shares
  - Audited financial statements
  - Current valuation
  - The form of ownership
  - Giving Fund Application
  - Liquidation/marketing plan information
2. The above items allow NCF to understand the asset and answer relevant questions, such as, "Is the asset transferable?" and "What is the wisest method of transfer?" NCF reviews the gift and submits a gift offer letter to you as owner. As the decision is made to proceed, a transfer document is drawn up, either by NCF or your legal counsel.
3. As the transfer document is executed, the gift date is established. Of course, there may be additional items, such as an appraisal and Form 8283, which will need to be completed after the gift has taken place.
4. NCF will then work towards the sale or the ongoing management of the asset as appropriate. As the asset is sold, the funds received less the costs associated will be placed in your NCF Giving Fund.

### **What makes your asset an appropriate gift? The asset ...**

- Has been held by you longer than one year, and has appreciated in value
- Is transferable (not under contractual obligation or other agreement with someone else)

### **What else do I need to know?**

An appraisal may be needed in order to substantiate the value of your tax deduction. NCF requests that a portion of the value of the investment be retained by NCF to cover our costs associated with acquiring, managing and liquidating the gift. As the asset is sold, NCF retains a portion of the sale proceeds to support the ministry work of NCF. At sale, NCF places between 92% to 98% of the net proceeds into your NCF Giving Fund for grants to charity. From time to time, NCF may hold the shares. Quarterly income distributions, net of costs of administration will be placed into your NCF Giving Fund for grants to charity.