



## *Giving Limited Partnership Interests Through NCF*

Gifts of limited partnership interests allow you a great opportunity to get resources into the hands of those who further the mission of things you believe in. The tax benefits of gifting these assets before a sale is made – rather than selling the asset, paying the tax, and donating the net proceeds – can be enormous. Not only do you avoid the tax on the sale, but you also get a sizeable charitable deduction, which saves you even more taxes.

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

1. As you and your advisor decide that a gift of a business interest is appropriate in your financial and philanthropic planning, submit the following documents to NCF:
  - Copies of Articles of Organization and any amendments.
  - Fully executed copy of the Operating Agreement, and any amendments.
  - Copies of any documents evidencing the withdrawal of partners or admission of new partners.
  - List showing the number of units or % of partnership interest of all partners and the current capital account balances of each partner.
  - Current audited financial statement
  - Current valuation
  - NCF Giving Fund Agreement
  - Liquidation/marketing plan information
  - Historical Distribution/Earnings information such as previous year's K-1
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. You are responsible for securing this. As the asset is sold, NCF retains a portion of sale proceeds to support our ministry work. At sale, NCF places 92% to 98% of the net proceeds into your NCF Giving Fund for grants to charity. From time to time, NCF may hold the gifted interests. Any income distributions, net of costs of administration, will be placed into your NCF Giving Fund for grants to charity.