



Giving Loan Notes Through NCF

People don't often think of money owed to them through loan notes as financial assets. But they are, and they can be given to charity. The National Christian Foundation (NCF) has extensive experience receiving and managing various types of corporate obligations. We manage the repayment of the loan and place the net collected principal and interest into your NCF Giving Fund. Over time, you may recommend grants from the Fund to your favorite charities.

Here's how it works.

1. As you and your advisor decide that a gift of a loan note is appropriate in your financial and philanthropic planning, submit the following documents to NCF:
 - Copy of the note
 - Information regarding the underlying asset held as security for the note
 - Information regarding the guarantor of the note
 - Current valuation
 - Current amortization schedule
 - Giving Fund Agreement
 - 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 assist you in the completion of the gift transfer. We will then work towards the sale or the ongoing management of the asset as appropriate.

What else do I need to know?

An appraisal may be needed in order to substantiate the value of your tax deduction. To cover our ongoing administration of a loan note, NCF will retain a portion of each note payment. In the event we sell the note, 92% to 98% of the sale value may be placed into the NCF Giving Fund for grants.