



## *Giving Sub-Chapter S Corp. 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 (a) avoiding personally paying current income taxes on the income of the Sub S Corporation, and (b) receiving a deduction of the fair market value of the gift.

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

1. As you and your advisor decide that a gift of stock 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 listing of shareholders
  - Shareholder's Agreement and amendments
  - Audited financial statements to include balance sheet and corp. tax return
  - Current valuation and adjusted tax basis
  - Liquidation/marketing plan information
  - Questionnaire (provided by NCF):
  - Giving Fund Agreement
  - Any agreements restricting shares
  - Historical K-1's
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 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 and net of estimated Unrelated Business Income Tax will be placed into your NCF Giving Fund for further granting.