



## Gifts of Closely Held Stock Questionnaire (To be completed for each offering)

The National Charitable Endowment (“NCE”) has the ability to accept illiquid/complex assets; however, these assets require that NCE devote additional time and resources to the analysis of those assets prior to acceptance into a donor advised fund (“DAF”). During asset evaluation, NCE and, if necessary, outside professionals, evaluate the asset to understand any inherent risks associated with accepting, holding and liquidating the asset. We also ask that donors provide any associated executed governance agreements and potential transfer documents for review. This allows NCE to remain compliant with IRS gifting rules as well as our auditor reviews.

Please note that completion of this questionnaire is for evaluation purposes. NCE will review and determine whether the asset is appropriate to accept. In order to comply with our internal governance and IRS gifting rules, NCE is under no obligation to accept any asset discussed in this questionnaire.

Name(s) of Donor(s): \_\_\_\_\_

Donor’s Donor Advised Fund Name: \_\_\_\_\_

Name(s) of financial advisor(s): \_\_\_\_\_

Legal Name of Asset: \_\_\_\_\_

Brief description of the asset(s) NCE is being asked to consider accepting – including number of shares/interest being gifted: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Estimated value of asset(s): \_\_\_\_\_

Does the donor’s current ownership equal more than 20% of all ownership in the asset? If other family members also have ownership interests, please disclose names and percentage of ownership in an attached document.

- Yes, I own more than 20% of the asset
- No, I do not own more than 20% of the asset
- Yes, I have family members with ownership interests and will disclose that information in a separate attachment
- No, I do not have any family members with ownership interests

What is the balance of active/passive income that is anticipated to be generated from this asset?

\_\_\_\_\_ % Active Income    \_\_\_\_\_ % Passive Income     C-Corporation – not applicable

Upon donation, will NCE be responsible for ongoing capital contributions, debts or other liabilities?

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NCE's legal oversight requires either:

1. a contractual commitment from the Partnership (through an amendment to its Partnership Agreement) that it will distribute enough cash to the NCE annually to permit it to meet its tax obligations or
2. a contractual commitment from the donor that he or she will provide contributions to NCE in amounts sufficient to pay its UBTI tax. Please advise how the donor plans to address this:

- Yes, we will be providing an amendment to the governing documents to cover this.
- Yes, the donor will maintain enough liquidity in the DAF to cover for these provisions and/or provide additional contributions to the DAF to pay UBTI in the event this occurs.
- No, the gift is ownership in a C-Corporation, so UBTI should not apply.
- No, the gift is through Offshore fund, so UBTI should not apply.

Is the donor requesting that NCE hold the Asset more than 5 years?

- Yes, it is requested that NCE be willing to hold the asset until the following date\_\_\_\_\_.
- No

Please describe the liquidation strategy NCE will need to use for the asset.

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What restrictions are in place that may limit the transferability of this asset?

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Please list the name and contact information of the person(s) NCE would need to correspond with for future K-1's, financials, etc.:\_\_\_\_\_

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Are there other key professionals NCE should have contact information for regarding the acceptance, maintenance or disposition of this gift? \_\_\_\_\_

\_\_\_\_\_

The donor must provide a minimum initial charitable contribution of the greater of 1% or \$10,000 (in liquid assets) to their DAF at NCE for its initial funding prior to or at the time of the contribution of the closely held stock. This contribution will cover NCEs administrative fees (starting with the date of acceptance by NCE) and the costs incurred by NCE in connection with accepting and holding the closely held stock.

By completing this questionnaire, and signing below, the donor and their financial advisor (if applicable) attest that they have done their own risk analysis on the ownership of this asset as well as its suitability for donation. The donor further acknowledges that they have consulted legal/tax advisors regarding the contribution, deductibility and appraisal requirements since NCE does not provide legal or tax advice.

Donor Acceptance and Agreement:

National Charitable Endowment  
Acceptance and Agreement:

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Gifts of Closely Held Stock Checklist

Prior to NCE's Acceptance of the Gift our auditors will require the following:

- Copy of Donor's fully executed Partner/Membership Agreement, By-laws and any other government documents and/or agreements signed by the donor
- Most recent financial statements and tax returns
- If family members also have ownership interests, a list of owners, with a relationship to the donor and their percentage(s) of ownership
- Has the donor provided an initial contribution to NCE for ancillary costs?

Should NCE agree to accept the asset above, NCE must receive the following in order to give the donor the Gift Acknowledgment Letter they will need for tax purposes:

- Donor signed copy of NCE's Donor's Letter of Understanding
- Qualified appraisal/valuation (required by the IRS as part of your tax filing)
- Form 8283 for NCE Signature (required by the IRS as part of your tax filing)