

Frequently Asked Questions on Virtual Currency Appraisals

- 1. Does the transfer/gift have to take place before an appraisal can be completed?** Yes. While the tax code says that a qualified appraisal can be completed as early as 60 days prior to a property gift, our virtual currency approach uses the high/low prices for the date of the gift to create an average daily price from the top three exchanges by volume.
- 2. What documents do I need to provide?** A completed Donor Information Form.
- 3. How much do the appraisals cost?** The fee for the first virtual currency appraisal is \$600, with additional currencies or additional appraisals for \$350.
- 4. Do I have to pay before the appraisal is released?** Yes. Having done this for 10 years, I quickly discovered that I was spending more time trying to collect on invoices than actually doing the appraisals. These donors were all well-intentioned but various circumstances would arise that would require multiple follow up efforts – hence, the new policy. I accept checks or PayPal.
- 5. When you complete the appraisal, what does it include and where is it mailed?** The completed appraisal will include the original, signed appraisal, a receipt for payment, a Form 8283 with a completed Appraisers Section and a bio to conform to the qualified appraisal rules. This “kit” is mailed to the Donee Charity so they can complete their section of the Form 8283, make any copies needed for audit purposes and then they are to mail the completed original “kit” to the donor. I can mail the package to an advisor or the donor directly, but please indicate that on the Donor Information Form.
- 6. Are there any articles that might be helpful for me to read about any Virtual Currency tax or legal issues?** This article provides additional information on the technical aspects of these donations - <http://cfga.pgdc.com/pgdc/charitable-gifts-bitcoin-tax-appraisal-legal-and-processing-considerations>
- 7. Are you a Qualified Appraiser?** There is not a definitive answer to this question as the IRS requires a qualified appraiser to complete the appraisal, however, no one is able to meet the strict definitions for virtual currency. The IRS requirement states:
A qualified appraiser is an individual with verifiable education and experience in valuing the type of property for which the appraisal is performed.
 - The individual:
 - Has earned an appraisal designation from a generally recognized professional appraiser organization, or
 - Has met certain minimum education requirements and two or more years of experience. To meet the minimum education requirement you must have successfully completed professional or college-level coursework obtained from:
 - A professional or college-level educational organization,
 - A professional trade or appraiser organization that regularly offers educational programs in valuing the type of property, or
 - An employer as part of an employee apprenticeship or education program similar to professional or college-level courses.
 - The individual regularly prepares appraisals for which he or she is paid.
 - The individual is not an [excluded individual](#).

There is neither a degree nor appraisal designation which specifically applies to virtual currency. I have earned two master’s degrees (Financial Services as well as Risk Management and Insurance) and a Ph.D. in Retirement and Financial Planning (charitable giving dissertation). In addition to more than 500 virtual currency appraisals, I have appraised thousands of life insurance donations over the last decade which are also intangible personal property gifts.

Appraisal Form for Charitable Gifts of Virtual Currency

All of the fields below must be complete before an appraisal can be provided. Please send materials to the address listed below along with appropriate payment. Upon completion, we will forward the qualified appraisal and completed Form 8283 to the charity unless otherwise requested.

DONOR INFORMATION:

Today's Date:

Donor(s) Name as Shown on Most Recent Tax Return:

Donor's Mailing Address, City, State, Zip Code:

Donor's Email Address

Donor's Phone Number:

CHARITY INFORMATION:

Charity's Legal Name & Contact:

Charity's Mailing Address, City, State & Zip Code:

Charity's Email & Phone Number:

Charity's Federal Tax ID#:

REQUIRED DOCUMENTATION: (Please send ALL documents together at one time):

1. Transaction details: Please include the number of coins transferred and a statement showing the charity received the coins on a specific date.
2. Acquisition Type (select one): Mined Payment for Service Investment
3. Acquisition Date:
4. Donor's cost basis **PER TOKEN**, as of gift date:

FEE: Please submit \$600 for the first appraisal and \$350 for each additional. Processing takes between 5 to 7 business days. If an appraisal is required within 48 hours, an additional \$100 rush fee will apply to each appraisal.

PAYMENT OPTIONS:

1. Online with credit card via PayPal <https://www.paypal.me/CharitableSolutions>
2. Check, made payable to Charitable Solutions, LLC and mailed to the address above.