

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?** For donations \$500,000 or GREATER, the fee is \$800 for the first donation and \$400 for each additional donation. For donations LESS than \$500,000, the fee is \$150 for the first appraisal and \$75 for each additional donation to the same charity. Any additional donations are made in the same taxable year. A customized fee will apply if the token is very esoteric (outside the largest 50 by market value on Coinmarketcap) or the donation represents more than 2% of the daily volume which may require a blockage valuation discount.
- 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. Past 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. The donor will mail the “kit” 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” back to the donor. I provide detailed step-by-step instructions for both the Donor and Charity.
- 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 - <https://charitablesolutionsllc.com/articles/>
- 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:
 - a. Has earned an appraisal designation from a generally recognized professional appraiser organization, or
 - b. 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:
 - i. A professional or college-level educational organization,
 - ii. A professional trade or appraiser organization that regularly offers educational programs in valuing the type of property, or
 - iii. An employer as part of an employee apprenticeship or education program similar to professional or college-level courses.
 - c. The individual regularly prepares appraisals for which he or she is paid.
 - d. 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.

PAYMENT OPTIONS:

1. Online with credit card via PayPal (**please** include donor name in the memo) <https://www.paypal.me/CharitableSolutions>
2. Check, made payable to Charitable Solutions, LLC and mailed to 245 Riverside Ave., Ste. 100-058
Jacksonville, FL 32202

**PLEASE READ FAQs
BEFORE COMPLETING**



245 Riverside Ave., Ste. 100-058 • Jacksonville, FL 32202 • 404-375-5496 • bryan@charitablesolutionsllc.com

Appraisal Form for Charitable Gifts of Life Insurance

ALL of the following information and documents **MUST** be provided **BEFORE** an appraisal can be completed. Please mail or email materials along with proper payment. Processing takes approximately 5 - 8 business days. Upon completion, we will email the qualified appraisal and a completed IRS Form 8283 (Noncash Charitable Contributions) to the charity unless otherwise requested.

Today's Date: _____

DONOR INFORMATION:

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

Mailing Address, City, State, Zip _____

Email Address & Phone Number: _____

CHARITY INFORMATION:

Charity's Legal Name & Tax ID#: _____

Contact Name: _____

Email Address & Phone #: _____

Mailing Address: _____

REQUIRED DOCUMENTS: (Please return this form and ALL required documents in **ONE** package.)

- 1. Insurance Contract** – original declarations page **OR** a one-sentence statement indicating you (the donor) has been the **ONLY** owner since the policy was issued.
- 2. Form 712, Part II**—completed and signed (please use the sample letter below)
- 3. Donor's adjusted cost/tax basis, as of gift date**— (the insurance company will provide this calculation when using the sample letter)
- 4. Current policy values**— the most recent annual policy statement showing net death benefit and net cash values, or a current in-force illustration prepared by the insurance company (use sample letter). If policy has been or will be surrendered, this is not necessary.

FEE: The fee is \$350 for the first policy and \$200 for each additional policy, submitted at the same time.

RUSH? If appraisal is required within 48 hours, an additional \$100 rush fee will apply to each policy. Please make **check payable to Charitable Solutions, LLC** and email or mail this form and **ALL** documents to the address above. To **pay online**, please go to: <https://paypal.me/CharitableSolutions>

NOTE: All policy ownership interests must be transferred to the charity to qualify for a charitable tax deduction. No appraisal will be provided for a partial interest transfer or purchase of life insurance. This includes charitable split dollar life insurance or any variation in which any interest reverts to the donor, his/her heirs, or a trust established to benefit any non-charitable entity or person.

Please use this letter (or your own) to request information from the insurance company.

TODAY'S DATE _____

INSURANCE COMPANY _____

STREET ADDRESS _____

CITY, STATE, ZIP _____

To Whom It May Concern:

On (DATE) _____ the ownership on the above life insurance contract was donated to (NAME OF CHARITY) _____

We are currently completing the required IRS Forms for this gift and require the following items from you at this time:

1. Calculation of the donor's (prior owner's) **adjusted cost/tax basis** as of the date of the completed gift (as you know, this information is NOT on the Form 712 so must be reported in a separate memo.) **NOTE: More than ½ of insurance companies do not send this information, which requires multiple follow-up calls. PLEASE ENSURE THIS IS INCLUDED.**
2. Form 712 - Please complete Part II of this form as of the date of the completed gift.
3. A current in-force illustration. This illustration should show the policy vanishing, if possible, in the earliest possible year, at both current dividend/interest rates and at a rate which is 1% less than the current rate.

Please forward these items to my attention to the address below and feel free to call me at this PHONE NUMBER _____

Thank you for your prompt attention to these requests.

OWNER/CHARITY CONTACT _____ OWNER/
CHARITY NAME _____
ADDRESS _____ CITY, STATE
ZIP _____

PRINT SAMPLE LETTER