

**GIANT, IMPORTANT DISCLAIMER: WE AREN'T GIVING LEGAL, TAX OR FINANCIAL ADVICE. PLEASE SEEK YOUR OWN COUNSEL FOR ANY DONATIONS. MANY OF THESE QUESTIONS ARE OPEN TO SOME INTERPRETATION, ARE GENERAL IN NATURE OR ARE UNIQUE TO A PARTICULAR JURISDICTION. ASSUME ALL ANSWERS ARE WRONG UNTIL YOU/YOUR DONOR CONFIRMS WITH HER/HIS ADVISOR.**

**Q & A from “Crypto-Funded Charitable Remainder Trusts and Gift Annuities:  
Yes, You Can Do That!”  
<Aug, 2025>**

<b>Do you have a link to the CRT Primer webinar recording I could share with a colleague?</b>	Sure - <a href="https://charitablesolutionsllc.com/webinars/">https://charitablesolutionsllc.com/webinars/</a> these are all free and you can see Oct 2024 is a CRT Primer. Be sure to tell your colleague to bring popcorn and tissues - it can get a little emotional.
<b>Re Appraisal: How quickly is the crypto appraisal turned around? How do you charge?</b>	See all info here - <a href="https://charitablesolutionsllc.com/virtual-currency-appraisals/">https://charitablesolutionsllc.com/virtual-currency-appraisals/</a>
<b>Interesting approach with the CGAs funded with illiquid assets. Does a highly regulated state like NY allow for language in the GA contract to define total income as “lesser of”?</b>	Dana, I hope that you are well. It is more on the net asset adjustment vs. an income definition. The "true-up" is a payout adjustment vs. an asset adjustment. These are more complex, and some states require additional reserve deposits (basically a cash capital call) to still meet the state reserve requirements. Then, when sold, we move the cash back out, but these can be large (\$1-2 million+).
<b>Are there any procedural differences of funding a CRUT with crypto if the assets are held on an exchange (like Coinbase or Robinhood) versus if they are held in a cold storage wallet?</b>	From a tax law perspective, we don't see any difference in funding a CRUT or CGA with cryptocurrency, whether it's custodied on an exchange or in a cold wallet — the IRS still treats it as property, requiring a qualified appraisal and proper documentation. The difference is procedural: if the crypto is on an exchange, the transfer and liquidation are typically faster, easier to document, and preferred by pretty much all trustees. If it's held in cold storage, the donor must manually execute the transfer and provide extra proof of ownership, which

	introduces more technical steps and compliance checks. In practice, both work — but using an exchange usually streamlines the process and reduces risk for all parties and most trustees and charities are going to require it.
<b>If you are receiving Crypto donations, do you need to set up an account and also do an appraisal?</b>	No need to set up an account - we have one master account with Coinbase and Kraken, then we either deposit into a DAF or CRT or CGA. I can't do the appraisal if our charity is a party to the transaction - I would automatically be disqualified. So we have a short list of other qualified appraisers for donations we receive. All my appraisals are completed for other charity donations.
<b>At what step is the appraisal done?</b>	Always after the donation is made - it is not conducive for the 60-day prior appraisal still qualifying for obvious reasons.
<b>Do we have to have a crypto account set up before receiving the gift?</b>	Yes, if you want to set up your own account - gigantic pain by the way, you have to set it up first. Or you can use intermediary charities like us, DAFs, community foundations, to receive the donations, and then the grant can come back to you (based on their policies).
<b>How do you receipt the donor for the donation?</b>	Same as for any noncash donation.
<b>If you are using Coinbase to accept Crypto, do they provide an appraisal? Also, once you accept the Crypto from the donor and liquidate, could you use those funds to create a CRUT or CGA, or even a CLAT on behalf of the donor?</b>	You MUST have a qualified appraiser complete a qualified appraisal. Coinbase cannot provide any valuation report. We can receive crypto to fund CRT/CGA/CLAT ONLY if we are also the trustee. You can't take a crypto donation into a DAF and then "flip" it over to a CRT/CGA.
<b>Is there concern related to audits being triggered by significant disparities in appraisal value used for deduction on Form 8283 and liquidation value listed on Form 8282, given the volatility of crypto?</b>	Since liquidation is typically same day, there is usually - not always - little difference between the appraised value and sale price. If there was a significant difference, it could be easily explained by referencing the actual transaction confirmation (showing the trade prices).

<p><b>Are there any potential issues if a trustee would like to NOT liquidate all of the crypto once it's in a CRUT? As part of the investment portfolio?</b></p>	<p>Common question from crypto "true believers" considering funding a CRUT - Paul will address this soon</p>
<p><b>If we received the Crypto and liquidated and took the cash to create a LIG for the donor, how do the taxes implications work for the donor? I assume they would have the tax deduction from the LIG as a cash gift?</b></p>	<p>The same way if it were funded with appreciated public stock (with the appraisal requirement). So the deduction is the PV of the remainder interest, and then you would have to track initial basis through the 4-tier tax accounting administration (for the K1 annually).</p>
<p><b>We are a community foundation. How do we wade into the waters of accepting crypto gifts? Do we set up an account with Robinhood? Still not clear how this works.</b></p>	<p>I would SUPER strongly suggest running these gifts through a third-party charity. We literally get 20-25 leads for every donation that goes through. I would not set up an additional wallet unless you are doing a MINIMUM of 10 donations a year. Respectfully, I am not sure if any community foundation in the country is doing that volume. If you get there, then you can open up an institutional wallet.</p>
<p><b>We recently received a crypto gift from a donor, and it immediately was marked as "cancelled" by Coinbase, our crypto wallet. The donor was left in the dark, thinking we received it and ran, and we didn't know much either. Do you have experience with how quickly crypto funds are returned to the original sender?</b></p>	<p>When a crypto gift transfer is marked as "cancelled" by Coinbase, it means the transaction never left the donor's account — funds are automatically returned, often immediately or within 1–3 business days. To avoid confusion, it's best practice to send a <b><u>small, nominal test transfer first</u></b> to confirm the wallet address and process, as Ryan noted in the session. It also helps to work with partners who regularly handle crypto transactions, since they can quickly troubleshoot issues and reassure donors.</p>
<p><b>Do you offer a "kit" that community foundations can use to promote the concept of accepting crypto? How do we market it? How do we accept a gift? What are the steps? What are the fees?</b></p>	<p>If you reach out through our contact form, either Alex Sedor or Ryan Raffin can walk you through our documents, process, and fee structure. While it isn't a packaged "kit," the resources we provide through Dechomai will equip your foundation with everything you need to market, accept, and process crypto gifts efficiently.</p>
<p><b>Does the timing of owning the crypto need to be considered? (short-term / long-term)</b></p>	<p>Yes - also the source of the coins for the donor (mining, compensation, investment, etc.)</p>



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**What is KYC?**

"Know Your Customer" - often tied to AML ("Anti-Money Laundering")