

HOW TO GIVE LOAN NOTES THROUGH NCF

People don't often think of money owed to them through loan notes as financial assets. But they are, and they can be given to charity. National Christian Foundation (NCF) has extensive experience receiving and managing various types of corporate obligations. We manage the repayment of the loan and place the net collected principal and interest into your Giving Fund (Donor-advised Fund). Over time, you may recommend grants from the Fund to your favorite charities.

How it works:

1. As you and your advisor decide that a gift of loan notes is appropriate in your financial and philanthropic planning, submit the following documents to NCF:
 - Copy of the note
 - Information regarding the underlying asset held as security for the note
 - Information regarding the guarantor of the note
 - Current valuation
 - Current amortization schedule
 - Giving Fund application
 - Liquidation/marketing plan information

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.

2. When the transfer document is executed, your gift date is established. Additional items, such as an appraisal and Form 8283, may need to be completed after the gift has taken place.
3. NCF will then work towards the sale or ongoing management of the asset as appropriate.
4. Upon sale of the asset, the net proceeds 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?

- We provide you advisory privileges for approximately 95% of the sale value of a gift of a non-cash asset to a Giving Fund. Five percent is typically used in direct support of NCF.
- An appraisal may be needed in order to substantiate the value of your tax deduction.
- Loan payments, net of costs of administration, will be placed into your Giving Fund for grants to charity.

Get started today. Visit nationalchristian.com/wisconsin or call 262.796.9910.