

Gifting Complex Assets to Donor-Advised Funds

Maximize the impact of your charitable dollars by donating appreciated complex assets to a Donor-Advised Fund (DAF) through The U.S. Charitable Gift Trust (Gift Trust). Contributing appreciated assets such as non-publicly traded stock or other complex assets may help reduce your tax liability while amplifying the grants to the charitable organizations that matter to you.

Why Consider Gifting Complex Assets?

Gifting non-publicly traded or complex assets can offer valuable benefits:

- Avoid capital gain recognition from selling outright
- Provide an immediate upfront federal income tax deduction to offset other gains
- Increase your support to your favorite charities

Acceptable Types of Complex Assets:

- Pre-IPO Shares
- Real Estate, Land, Collectibles
- Privately Held Business Interest
 - Private Company C-Corp Stock
 - Private Company S-Corp Stock
 - LLC
 - LP Interests
- Private Equity

Key Considerations:

- Minimum contribution of \$250,000
- Gifts subject to a mortgage or lien will not be accepted
- Allot adequate timing before gift contribution is scheduled to take place
- Due diligence questionnaire to be completed for review
- Gifts are subject to a review and acceptance process
- Gifts which are expected to take more than 12 months to liquidate will not be accepted
- A third-party qualified appraisal is required for a Donor to claim a tax deduction. This requirement is solely for the Donor's tax purposes and is not a condition to accept the gift
- Generally, gifts of complex assets are not subject to any additional fees; however, we may require Donors to pay additional out-of-pocket costs for certain asset types³

MAKE YOUR DONATIONS GO FURTHER WITH NON-PUBLIC APPRECIATED SECURITIES

Donor is considering selling their private company. It is worth \$10 million with a cost basis of \$2,000,000. The client is charitable and giving regularly to charities. Before selling the company, the client is considering gifting to a DAF to benefit charities.

For illustrative purposes only.

Sell \$10 Million (\$2,000,000 cost basis)	Sell \$7 Million (\$1,400,000 cost basis)	&	Donate \$3 Million (\$600,000 cost basis)
Pay Capital Gains Tax ¹ \$1,904,000	Pay Capital Gains Tax ¹ \$1,332,800		Capital Gains Tax \$0
Net Proceeds \$8,096,000	Net Proceeds \$5,667,200		Net Charitable Deduction \$3,000,000
			Capital Gains Tax Savings ¹ (23.8%) \$571,200
			Federal Income Tax Savings ² (35%) \$1,050,000
Total Net Proceeds \$8,096,000	Total Net Proceeds \$7,288,400		
	Amount Available to Support Charities \$3,000,000		

Complex Asset Review and Approval Process

Once a Donor determines the appreciated complex asset they would like to gift, here is what to expect. Please note that the timelines of the review may vary based on individual circumstances.

1. Initiate the Complex Asset Inquiry

- Donor or Financial Advisor initiates complex asset inquiry with the Wealth Strategies Group (617-672-8152) or Eaton Vance Regional Representative and completes the due diligence questionnaire

2. Complex Asset Review and Determination

- Gift Trust will review and determine whether to accept the proposed contribution
- Answers to follow-up questions and additional documentation may be required
- Allow 10-15 business days from receipt of due diligence questionnaire for determination and acceptance

3. Acceptance of Gift

- If the proposed gift is accepted, Donor may then complete, execute, and return the Gift Agreement and DAF Application
- Donor should consult and review with their attorney and their own tax, legal, and accounting professionals regarding the proposed gift and documentation required to be executed

4. Funding of the Donor's DAF Account

- Following the liquidation of the asset and the allocation of necessary fees and expenses, gift proceeds will be deposited into the Donor's DAF account
- Donor will receive Welcome Email from Ren and portal access
- Donor may begin making grants out of the Donor's DAF account

Donor should consult their own tax advisor regarding the substantiation requirements applicable to the gift, such as filing Form 8283 with the Donor's federal income tax return and obtaining a third party qualified appraisal.

To learn more about the **Donor-Advised Funds**, please visit our website at uscharitablegifttrust.org or call us at **(800) 836-2414**.

¹ The maximum federal long-term capital gains rate applied toward the potential recognized gain is 23.8% (includes the 3.8% Medicare surtax). This illustration does not include any potential state or local tax consequences.

² Assumes top 2026 tax rate of 35% for families with income over \$768,701 (\$640,601 for single taxpayers). Beginning in tax year 2026, federal income tax law sets a 0.5% adjusted gross income (AGI) floor on deductions and caps itemized deductions at 35% for Donors in the top federal income tax bracket. State taxes and federal charitable contribution deduction limits are not taken into consideration. Under federal income tax law, certain limitations apply to the amount of the charitable deduction a taxpayer may claim in any given year. Generally, cash gifts can be deducted up to 60% of your "contribution base" (in general, adjusted gross income (AGI)), and appreciated securities held by you for more than one year are deductible up to 30% of AGI. Special rules govern the interplay of these limits. Any excess amount may be carried forward and deducted, subject to the applicable limitations, in the five-year period after the year of contribution. Your ability to deduct itemized deductions may be subject to certain other limitations. **Please consult your tax advisor to review your personal situation and tax law applicable at the time of your contribution.**

³ Certain types of assets contributed to the Gift Trust uses a third-party service, Charitable Solutions, LLC to facilitate the sale of the gift. Fees for gifts of real estate and other alternative assets may vary and are separate fees charged from Gift Trust. For more details, please contact us using one of the methods listed on page 2.

For more complete information, prospective Donors should contact their financial advisor or the Gift Trust's administrator for the Gift Trust's current Gifting Booklet for Donor-Advised Funds (Gifting Booklet). Read the Gifting Booklet carefully before contributing.

U.S. CHARITABLE GIFT TRUST®

The U.S. Charitable Gift Trust (Gift Trust) is a tax-exempt public charity offering donor-advised funds. The Gift Trust is located at One Post Office Square, Boston, MA 02109. All Gift Trust activities and the participation of Donors in the Gift Trust are subject to the requirements of state and federal law, the terms and conditions of the Gift Trust's Declaration of Trust, the Gift Trust's current Gifting Booklet for Donor-Advised Funds (Gifting Booklet) and the completed Donor Contribution Form submitted by each Donor. The Gift Trust's Board of Directors (Board of Directors) reserves the right to modify the Gift Trust's program at any time, subject to the provisions of the Gift Trust's Declaration of Trust and state and federal law. Any contribution to the Gift Trust, once accepted by Eaton Vance Trust Company (Trustee), represents an irrevocable commitment. Contributions cannot be rescinded or changed, and are subject to the exclusive legal control of the Gift Trust, the Trustee and the Board of Directors. The tax

consequences of contributing to the Gift Trust will vary based on individual circumstances. Prospective Donors should consult their own tax advisors. Nothing in this brochure should be construed as tax advice. The Gift Trust has not been registered under federal securities laws, pursuant to available exemptions. The Gift Trust is not guaranteed or insured by the United States or any of its agencies or instrumentalities. Contributions are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of, or guaranteed by, any depository institution.

Eaton Vance Distributors Inc. (Placement Agent), is a paid solicitor of the Gift Trust, receiving compensation as described in the Gifting Booklet.

NOT FDIC INSURED. NO BANK GUARANTEE. MAY LOSE VALUE. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT A DEPOSIT.

To learn more, please visit www.uscharitablegifttrust.org