



FFTC GIFTS OF BUSINESS INTERESTS



Amplify Your Philanthropic Impact Through Gifts of Business Interests

Foundation For The Carolinas helps maximize community impact by facilitating gifts of illiquid assets, offering donors significant tax advantages today with the opportunity for broad charitable giving upon liquidation.

We will hold the business interests, working in partnership with the donor and donor's advisors on flexible liquidation timelines to maximize philanthropic impact. Net proceeds will be transferred to a new or established FFTC giving fund, such as a donor advised fund.

Contact us today to learn how we can expand the possibilities to leverage your business investments to build a stronger community.

Contact us today for more information:

Visit
220 North Tryon Street
Charlotte, NC 28202

Call
704.998.6412

Email
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Learn more
www.fftc.org

Gifts of closely held business interests are held in FFTC's wholly owned subsidiary, Community Investments Foundation, until liquidation. Net proceeds are transferred to a new or existing charitable fund.

Benefits of Giving Before Sale

Maximize your income tax deduction

FFTC Gifts of Business Interests allow you to maximize your income tax deduction (typically fair market value, up to 30 percent of adjusted gross income) thereby reducing current year income tax liability.

Avoid or reduce capital gains tax

By gifting business interests prior to sale, you can reduce or eliminate costly capital gains tax, creating more charitable impact from your gift. By giving now, you can also remove these business interests from your estate, reducing potential tax liability.

Minimize tax liability for gift

The innovative structure of Community Investments Foundation reduces potential income tax liability for the gifted portion of your business during the holding period, further maximizing charitable impact.

Flexible holding period

Community Investments Foundation can hold the business interest in your fund for up to ten years, allowing you the flexibility to leverage a variety of liquidation opportunities, including sales to third parties and corporate redemptions. There is no payout requirement during the holding period.

Information provided is general in nature. It is not intended to be, and should not be construed as, legal or tax advice. Foundation For The Carolinas does not provide legal or tax advice. Laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of this information.

Getting Started

Community Investments Foundation accepts gifts of closely held business interests valued at \$250,000 or above.*

Non-Cash Assets



Closely Held Business Interests



Private Equity



Community Investments Foundation



Liquidation



Your FFTC Gift Fund

*One-time gift fee and annual administrative fees are assessed based on value of gift.



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Walker Poole

In 2014, longtime FFTC fundholder Walker Poole approached the Foundation team with a unique question: Could he and his partners at a Charlotte-based private equity firm make a charitable impact out of partial ownership interests in one of their funds? While liquidation of portfolio companies was not imminent, Walker and his colleagues wanted to explore charitable gifts of carried interest.

Walker and his advisors worked closely with FFTC to structure a gift of general partnership interests. As portfolio companies have been sold in the ensuing years, the proceeds have contributed to Walker's FFTC Donor Advised Fund, allowing him and his wife Anne to expand their charitable impact. They have supported a range of causes including Charlotte Country Day School, KinderMourn, Crisis Assistance Ministry and a capital gift to Hopeway, a behavioral health and mental health treatment facility in Charlotte.

Clay Grubb

Soon after establishing an FFTC Donor Advised Fund, commercial real estate developer Clay Grubb realized the benefit of managing his charitable giving through the fund. He began giving appreciated stock more aggressively and eventually gifted an ownership stake in Glen Lennox, one of the first mid-century modern planned communities in the country.

The gifted interests in the property are currently held by FFTC, and the income annually supports real estate programs at UNC Chapel Hill and UNC Charlotte, where Grubb served on the advisory boards. When the property is liquidated in the future, the schools will receive more sizeable contributions.

More recently, Clay contributed ownership in a 20-year-old private equity investment that has since liquidated. Clay allocated a portion of the proceeds to establish a new fund in honor of his parents, Rochelle and Robert Grubb, to support organizations in his hometown of Lexington, NC.

Ross Annable

Having grown up in modest surroundings in the upper Midwest and later serving in the Navy, long-time capital markets executive Ross Annable says philanthropy was the last thing on his mind as a junior officer trying to make ends meet. But he and his wife Michele began seriously considering their charitable goals and legacy in 2012, after being introduced to FFTC by his estate planning attorney. Having no children, they knew philanthropy would play an important role in their estate planning, but they needed a partner.

In 2000 he had invested in a local tech startup called AvidXchange, later serving on the advisory board. In the ensuing years, Ross contributed two gifts of private stock in AvidXchange to FFTC, with proceeds funding Ross and Michele's FFTC Donor Advised Fund.

From this fund, they have established the Michele M. and Ross M. Annable Scholarship Endowment at NC State University's College of Veterinary Medicine, supported the Carolina Raptor Center's capital campaign and provided a major gift to Kahn Academy. Ross and Michele have also made provisions to support the Charlotte region as part of their estate plan, leaving gifts to create a scholarship program at FFTC as well as a gift to FFTC's discretionary grantmaking endowment.

You Can Give

- ▶ Commercial real estate
- ▶ LLC and partnership interests
- ▶ Pre-IPO shares
- ▶ Restricted shares
- ▶ S-corporation stock
- ▶ Carried interest
- ▶ Other privately held assets

"FFTC was user friendly and transparent through the complex planning process. My biggest advice to other donors is to start the valuation and appraisal planning process early."

-Walker Poole

"FFTC did a great job of walking me through the process of transferring ownership. I have deep trust build over years of experience working with them."

-Clay Grubb