

Fair Market Value (FMV) Form Instructions

General Information

A Fair Market Valuation (FMV) is used to assign or change the value of an asset. Valuation of the assets in your self-directed account must be provided to IRAR on a yearly basis to ensure proper tax reporting to the Internal Revenue Service (IRS). A fair market valuation is also required when:

- Taking an in-kind asset distribution
- Converting a Traditional IRA asset to a Roth IRA asset

IRAR Trust is required to:

- Provide the FMV of your account as of December 31 of each year to the IRS
- Provide you IRS Form 5498 with the same FMV information for your account

To comply with the Internal Revenue Code requirement, plan assets must be valued at fair market value, not cost. A FMV is an estimate of the market value of a property or asset, based on what a knowledgeable, willing, and unpressured buyer would probably pay to a knowledgeable, willing, and unpressured seller in the market.

Submission Options



Email

forms@iraresources.com



Fax

858-459-6565



Mail

IRA Resources, Inc.
1000 Broadway, Suite 350
Oakland, CA 94607

Instructions

The Fair Market Valuation Form must be signed and dated by you.

If you are using a third party to evaluate the value of an asset, the valuator must sign and date Section 5 of the form.

The form must be sent to IRAR with acceptable supporting documents.

A separate FMV form must be completed for each asset held in your account, including worthless assets. See Sections 3-4 of the form.

An FMV Form is NOT required for:

- Cash assets
- Publicly traded securities
- Interest ONLY Notes

www.iraresources.com/fmv

Supporting Documents Information

Review Section 3 of FMV form for information on what is acceptable supporting documentation by asset type.

If using a third-party evaluator, your IRA must pay for the service.

You may NOT provide your own valuation of assets. The valuation must be provided by an independent third party that is not a disqualified person.

FMV FORM WILL NOT BE PROCESSED WITHOUT ACCEPTABLE SUPPORTING DOCUMENTATION.

Fair Market Valuation (FMV) Form

1. ACCOUNT OWNER INFORMATION

Full Name (as it appears on your account application)	Account Number	Account Type		
		<input type="checkbox"/> Traditional <input type="checkbox"/> Roth <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> HSA <input type="checkbox"/> ESA		
Email Address	Daytime Phone Number			
<input type="checkbox"/> Update My Street Address (cannot be a P.O. box)	City	State	Zip	

2. ASSET INFORMATION—For cash and publicly traded assets you do not need to complete an FMV form

Asset Type:	<input type="checkbox"/> Private Placement <input type="checkbox"/> LLC/Entity <input type="checkbox"/> Real Estate/Real Property <input type="checkbox"/> Promissory Notes			
Asset Description/Name (example: 123 Sunshine LLC)	New Total Asset Value – enter the total worth (100%) of the asset (For secured notes DO NOT enter the value of collateral. Enter note value.)			
	\$			
What is your IRA's percentage of ownership for this asset?	New Asset Value – enter value based on Your IRA's Percentage of Ownership (example: if total worth is \$1,000 and your IRA invested 50% you would enter \$500)			
%	\$			

3. ACCEPTABLE SUPPORTING DOCUMENTATION FOR NEW VALUE

Choose at least one supporting document based on the asset type entered in Section 2.

Your FMV will be not be processed without acceptable supporting documents that show the new value.

PRIVATE PLACEMENTS <i>Complete one FMV Form per asset and submit with documentation</i>	LLCs and OTHER ENTITIES <i>Complete one FMV Form for the LLC/ Entity and submit with documentation for every asset held in LLC/Entity</i>	REAL ESTATE/REAL PROPERTY <i>Complete one FMV Form per asset and submit with documentation</i>	PROMISSORY NOTES <i>Complete an FMV Form for notes with principal and interest and submit with documentation</i>
<input type="checkbox"/> Section 5 of this form completed by the investment provider, acknowledging the new value in Section 2. <input type="checkbox"/> A current statement from investment provider showing value <input type="checkbox"/> Documentation signed by a non-disqualified independent third-party valuator such as: <ul style="list-style-type: none"> • Managing Partner • Certified Appraiser • CPA, attorney, financial planner, etc. <input type="checkbox"/> A final Schedule K-1 (meaning the business is closing, or dissolved).	<u>Bank or brokerage accounts:</u> <input type="checkbox"/> A current statement showing account value <u>Real Estate/Real Property in an LLC or Entity:</u> <input type="checkbox"/> Property tax bill <input type="checkbox"/> Comparative Market Analysis (CMA) <input type="checkbox"/> Real Estate Appraisal REQUIRED when: <ul style="list-style-type: none"> • Taking an in-kind asset distribution • Converting an asset in a Traditional IRA to a Roth IRA • Calculating and/or taking a required minimum distribution 	<input type="checkbox"/> Property tax bill <input type="checkbox"/> Comparative Market Analysis (CMA) <input type="checkbox"/> Real Estate Appraisal REQUIRED when: <ul style="list-style-type: none"> • Taking an in-kind asset distribution • Converting an asset in a Traditional IRA to a Roth IRA • Calculating and/or taking a required minimum distribution <input type="checkbox"/> An opinion letter or documentation on company letterhead from a qualified, independent third party such as a: <ul style="list-style-type: none"> • Managing Partner • Certified Appraiser • CPA, attorney, financial planner, etc. <u>For Non-Recourse Loan Mortgages:</u> <input type="checkbox"/> Most recent lender statement	If secured by collateral, use the value of the note. Do not use the value of the collateral. <u>Principal and Interest Notes:</u> <input type="checkbox"/> Loan amortization schedule <input type="checkbox"/> Loan servicer statement <u>Interest Only Notes:</u> You DO NOT need to submit FMV because value of the note doesn't change (even if secured by collateral).

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4. WORTHLESS ASSET—ZERO VALUE

Complete this section **ONLY** if the value of your asset is \$0. Supporting documentation showing a zero value is required.

- Remove Asset— I am updating the current value of my asset to \$0.00
- Close Account— I am updating the current value of my account to \$0.00 and closing my IRAR account

You will NOT need a qualified, independent third party to perform the valuation. However, to remove the asset(s) from your account or value at zero dollars, specific documentation is needed. Below are examples of acceptable supporting documentation. Please choose one and submit. Your FMV will not be processed without proof of zero value and the asset will be reported at the last known value.

NON-REAL ESTATE *(private placements, LLCs, notes, etc.)*

- Bankruptcy showing asset is worthless
- Receivership Paperwork showing asset is worthless
- Official court documents or criminal filing
- A "cease and desist order" from an entity such as the SEC or a similar state agency.

REAL ESTATE/REAL PROPERTY *(single family, duplex, etc)*

- Deed in lieu of Foreclosure or a copy of the recorded Trustee's Deed (for defaulted mortgage)
- County's recorded Tax Deed (for defaulted property taxes)

For Worthless Promissory Notes: Provide acceptable supporting documentation or proof that the debtor has filed bankruptcy, gone out of business, etc. and what efforts you have taken to collect.

5. THIRD PARTY VALUATOR INFORMATION AND SIGNATURE

This section must be completed by a qualified, independent third party, and submitted with supporting documentation.

See section 3 for information on when this is acceptable.

Valuator Name	Company	Title	
Email Address		Phone Number	
Company Address	City	State	Zip

Valuator's Acknowledgement

I certify that I am qualified to give an independent valuation/appraisal for this particular asset. I understand that this valuation/appraisal will be used for reporting purposes to the Internal Revenue Service and that any false or misleading valuation/appraisal of any assets may result in penalties and fines for both the valuator/appraiser and the account owner.

Valuator's Signature	Date
➔	

6. ACCOUNT OWNER SIGNATURE AND ACKNOWLEDGEMENT

Your signature is required. Please ensure that you read and acknowledge the following disclosure before you sign and date this form.

I understand that IRAR Trust Company does not value assets or verify the accuracy of prices or values submitted to it. I agree that IRAR Trust Company has my authorization to use the asset valuation above. I agree to indemnify, hold harmless and defend IRAR Trust Company and its respective officers, directors, and affiliates from all loss, damage, injury and expense, including attorney's fees that may be incurred should the information be incorrect, false or misleading.

I confirm that the custodial account assets do not include any illegal or impermissible investments under South Dakota or Federal law, including, but not limited to, holdings of marijuana or other illegal substances, illegal gambling, or illegal artifacts, and should the custodial account ever come to hold an illegal or impermissible investment under South Dakota or Federal law, I will notify IRAR Trust Company immediately.

I declare that I have examined this document, including accompanying information, and to the best of my knowledge and belief, it is true, correct, and complete.

ACCOUNT OWNER SIGNATURE	DATE
➔	