



## Fair Market Valuation- Taxable Event

### IMPORTANT INFORMATION

This form is used to assign or change the value of an asset when a taxable event such as an In-kind Distribution, In-kind Roth Conversion or when your account is subject to Required Minimum Distributions. Directed Trust Company requires a FMV Form to be submitted as the value of your account assets effects your tax reporting. Account Owners must generally contract with a qualified, independent third-party to complete this valuation or provide 3<sup>rd</sup> party valuation information.

#### When is a Fair Market Valuation required?

- Annually – to ensure proper tax reporting. You may use the Fair Market Valuation-Self-Certification form if there is no taxable event.
- When Distributing a large portion of the asset from your account, including RMDs
- When Converting your assets to In-kind Roth
- When Transferring assets in your account to a beneficiary
- When your account is subject to RMDs.

### Supporting Documentation Required for Taxable Valuations

- **Precious Metals** – Directed Trust Company must receive the FMV Form along with the December 31<sup>st</sup> value(s) of the metal(s) held in your account.
- **Real Estate** – An appraisal or Broker Price Opinion (BPO) is required for the distribution or conversion of a real estate asset.
- **Loans / Promissory Notes** – Statement of amount owed, plus accrued and unpaid interest.
- **Corporations, Partnerships, LLCs**, – FMVs for these types of investments are typically determined by the reporting provided by the corporation, partnership, or LLC to the account holder each year. The FMV of a single member LLC can be calculated by adding the value of all assets owned by the LLC, less any liabilities. The Account Owner may elect to have a qualified, independent third-party valuator evaluate the business as a whole.
- **IRA/LLC** – A Fair Market Valuation must be completed by a licensed, independent third-party valuator such as a CPA or attorney. Supporting document requirements are those of each asset listed above as well as bank statements.

### Fair Market Valuation and Tax Deadline

**Please note that Directed IRA must receive a completed FMV Form and complete and accurate supporting documents no later than March 1, in order to ensure accurate and timely reporting to the IRS on the Form 5498.** FMV Forms and supporting documents received after March 1, will require written instruction directing Directed IRA to correct the IRS Form 5498 for your account and a \$250.00 charge will be assessed for this corrected reporting. FMV Forms received after December 1 of the prior year may not be reflected on your 1<sup>st</sup> Quarter statement but will be reflected on Form 5498.

INVESTMENTS: NOT FDIC INSURED ■ NO GUARANTEE ■ MAY LOSE VALUE

<b>Email Forms to:</b> <a href="mailto:Clients@directedira.com">Clients@directedira.com</a>	<b>Send Mail to:</b> 3033 N. Central Ave. Ste. 415 Phoenix, AZ 85012	<b>Fax:</b> 602-899-9641	<b>Questions?</b> (800) 818-1322 <a href="mailto:Clients@directedira.com">Clients@directedira.com</a>
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Directed IRA is a tradename of Directed Trust Company, an Arizona Corporation



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Please use a separate form for each retirement account you are updating and attach all supporting documentation to this Form, as valuations without documentation will not be processed. Directed IRA reserves the right to reject submissions if no supporting documentation is provided or if the documentation provided is not accurate and/or adequate.

### 1. Account Owner Information

First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_

Last 4 of SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Phone Number: \_\_\_\_\_

Directed IRA Account Number: \_\_\_\_\_ Account Type: \_\_\_\_\_

### 2. Third-Party Valuation Information

A signed valuation and supporting documents shall be enclosed with this form.

Valuator's Name: \_\_\_\_\_ Company: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

This Valuation is being completed for the Tax Year Ending 20\_\_\_\_\_ or As of date: \_\_\_\_\_

### 3. Account Owner Authorization

By signing below, I hereby understand and confirm the following:

- Directed Trust Company (hereinafter, "Custodian") does not value assets, conduct appraisals of assets, or verify the accuracy of prices/values reported to it.
- Custodian does not and did not provide any tax, legal, or investment advice and Custodian does not and did not recommend any agent, company, or specific investment.
- I certify that the information listed above is true and correct to the best of my knowledge.
- I understand that this valuation will be used for reporting purposes and that any false or misleading information may subject me, the Account Owner, and the Valuator, if applicable, to fines and penalties.
- I hereby direct Custodian to update the FMV of the asset listed above as indicated and I agree to indemnify, hold harmless, and defend Directed Trust Company and its respective officers, directors, managers, members, employees, representatives, agents, owners, successors, and assigns from any and all loss, damage, injury, and expense of any nature, including attorney's fees, that may be incurred should the information be incorrect, false, or misleading.

➤ \_\_\_\_\_  
Account Owner Signature

\_\_\_\_\_  
Date

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