

Maximizing Philanthropy from the Sale of a Closely Held Business

The sale of a closely held business often provides a business owner with an opportune time and tool to fund their charitable plans. As a leader in philanthropic planning in the region, the Community Foundation for a greater Richmond can partner with business owners to create a charitable fund through the sale of a closely held business.

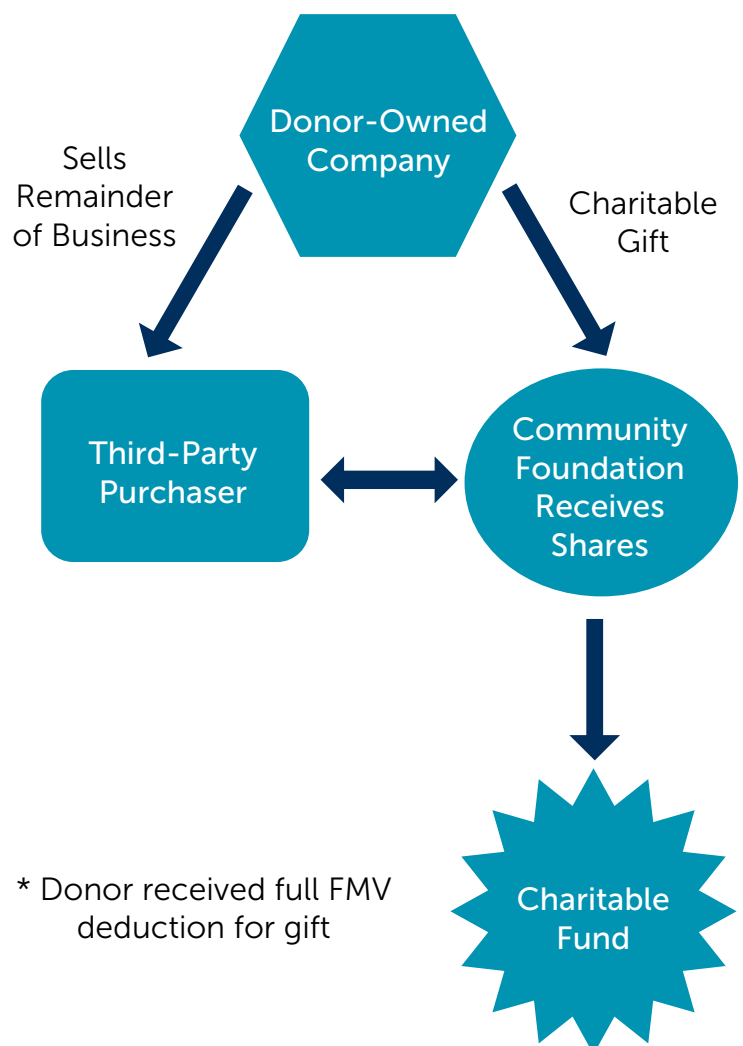
How it Works

1. With the sale of a business planned, the donor and their professional advisor(s) consult with the Community Foundation.
2. Donor gifts ownership shares of the business to the Foundation.
3. The Community Foundation briefly owns the business shares before the third-party purchaser buys the owner's remaining business interest, as well as the Foundation's ownership shares.
4. Funds from the sale of the Foundation's shares create a charitable fund at the Community Foundation, which the donor may use to recommend grants as part of his or her philanthropic plan.

What are the Benefits?

1. Reduces exposure to capital gains tax
2. Receive a full fair market value deduction for the gift, as opposed to making the gift after the sale and paying the capital gains tax
3. Efficient way to create a charitable fund and plan for the philanthropic legacy of a family.

The Process



For more information, contact Molly Dean Bittner at (804) 330-7400 or mdbittner@cfrichmond.org

The Community Foundation suggests consulting with your attorney or accountant.
This is not to be construed as legal or tax advice.