



Fair Market Valuation Form

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

Instructions & Frequently Asked Questions

GENERAL INFORMATION

A fair market valuation is used to assign or change the value of an asset. Valuation of the assets in your self-directed account must be provided to IRA Express on a yearly basis to ensure proper tax reporting.

A Fair Market Valuation is also required when:

- Taking an in-kind asset distribution
- Converting
- Re-characterizing an asset

IRA Express is required to:

- Provide the Fair Market Value (FMV) of your Account as of Dec. 31st of each year to the Internal Revenue Service (IRS).
- Provide you a form 5498 with the same FMV information for your Account.

To properly report the FMV of an asset, a qualified, independent third party should perform the valuation and then complete the FMV. A qualified, independent third party may be:

- Managing Partner
- Certified Appraiser
- A Licensed Real Estate Professional (such as a Broker/Realtor)
- Knowledgeable Party (such as a CPA, Attorney, Financial Planner, etc. who is strictly at “arms-length” to both you and the investment).

GUIDELINES

1. The Fair Market Valuation Form MUST be signed and dated by BOTH you and the valuator.
2. The form must be sent back with supporting documents.
3. If you hold more than one asset within your self-directed account, please complete one form for each asset.

EXAMPLES OF SUPPORTING DOCUMENTS

Precious Metals, Brokerage Accounts, Publicly Traded Assets and Cash: These asset types DO NOT require a Fair Market Valuation because these investment values can be easily determined by the market. If you currently provide regular statements that have unit/share balances on them, we will use those statements for the valuation.

Real Estate: An appraisal is required for Distribution and Conversion/Re-characterization of an asset, but it is not necessary for yearly reporting. A licensed real estate professional that is strictly “arms-length” from both the investment and you as the account owner can provide a real estate fair market value analysis, more commonly referred to as a comparative market analysis (CMA). A CMA is a detailed report examining the homes currently on the market, under contract, recently sold and recently expired, withdrawn, or canceled to determine what a property is worth in the current market.

LLC's and Entities: A value of each asset within the LLC or entity is required in order to determine the value of the LLC or entity. Real estate assets owned in an LLC or entity must be evaluated by a third party as noted above. Other assets such as bank or brokerage accounts should have year-end statements proving their value. A balance sheet for the entity which has been audited and certified by a third-party CPA should be submitted listing all assets at their current market value.

Private Placements: The value of the asset may be provided by a qualified third party, but they must provide sufficient supporting documents with the Fair Market Valuation Form.

Zero Value Assets: Please indicate the status and value on the Fair Market Valuation Form and sign it yourself. Provide the necessary documentation that will support the status and value. You will not need a qualified, independent third party to perform the valuation. However, in order to zero out assets from your account, the Internal Revenue Code requires that there be specific types of documentation to do so. The following are some acceptable examples:

- A Trustee's Deed (for a Deed of Trust asset)
- Bankruptcy/Receivership Paperwork
- A "cease and desist order" from an entity such as the SEC or a similar state agency

FREQUENTLY ASKED QUESTIONS

Q. May I provide my own valuation of my account assets?

A. No. For assets, such as private placements, where a fair market value cannot be determined by the market and documented, this must be provided by a qualified, independent third party that is not a disqualified person.

Q. Who is considered a disqualified person to my plan?

A. According to IRS publication 590, disqualified persons to your plan are:

- You
- Your Beneficiaries
- Your Spouse
- Your Ascendants
- Your Direct Descendants
- Your Direct Descendants' Spouses
- Fiduciaries

Q. How should plan assets be valued?

A. To comply with the Internal Revenue Code requirement, plan assets must be valued at fair market value, not cost. A Fair Market Value (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.

Q. What happens if I do not turn in my Fair Market Valuation Form?

A. IRA Express is required to obtain the most current fair market value available for the investment(s) in your account at least once a year. If we do not receive The Fair Market Valuation Form we reserve the right to resign as the Administrator for your IRA account. Please note that the IRS requires annual valuations.

Q. Is this only a requirement for self-directed accounts?

A. No. All IRA custodians are required to provide a year-end value to the IRS. Non-traditional assets are not easily determined by the market and require individual valuation.

Q. Who pays for this valuation?

A. Your account does. If your account does not have sufficient un-directed cash to cover the cost, you will have to make an annual contribution, transfer, or rollover funds from another Custodian to pay for the valuation services.



Fair Market Valuation Form

PO Box 9
Cedar City, UT 84721
Phone: 888-328-8008
Fax: 435-867-1042

This form is designed to assign a fair market value for individual assets. The valuation must be completed by a qualified, independent third party, and submitted with supporting documentation.

Precious Metals, Brokerage Accounts, Publicly Traded Assets and Cash **DO NOT** require a Fair Market Valuation because these investment values can be easily determined by the market. If you currently provide regular statements that have unit or share balances on them, we will use those statements for the valuation.

Part 1 Account Owner Information

NAME (as it appears in your plan)	IRA EXPRESS ACCOUNT NUMBER	ACCOUNT TYPE BEING CONVERTED
EMAIL ADDRESS	PHONE NUMBER	

Part 2 Asset Information

DESCRIPTION OF ASSET	
PERCENTAGE OF OWNERSHIP FOR YOUR INVESTMENT %	
PREVIOUS ASSET VALUE \$	CURRENT ASSET VALUE \$
NOTES:	

Part 3 Third Party Valuator Information

VALUATOR NAME	TITLE
COMPANY NAME	PHONE NUMBER
ADDRESS	CITY, STATE, ZIP

Part 4 Signatures

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
----------------------	------

I certify that I am the owner of the above referenced account and in that capacity I have retained the services of the individual listed to prepare, present and attest to the value of the asset contained. I further certify that the information contained herein is true and accurate to the best of my knowledge.

ACCOUNT HOLDER'S SIGNATURE	DATE
----------------------------	------