JEWISH
FEDERATION

DONOR-ADVISED FUNDS

PRE-IPO/PRIVATE COMPANY STOCK TRANSFER INSTRUCTIONS

If you hold shares in a private company — as a founder, early employee, or investor — you may be able to donate those shares to your Federation donor-advised fund, supporting foundation, or endowment before a sale or IPO. Because these gifts involve valuation, transfer restrictions, and company-specific requirements, they require additional review before we can accept the transfer. This process takes time, please reach out well before an anticipated liquidity event.
Minimum gift amount (estimated market value): $100,000.

STEP 1: CONTACT US BEFORE YOU BEGIN

Contact your Philanthropy Advisor, or email philanthropy@jewishfed.org, to start the conversation. Early outreach matters: the full process for private share gifts is lengthy and complex, involving multiple rounds of company and Federation approvals, documentation review, and transfer coordination. From start to finish, the entire process can take up to 12 weeks.

STEP 2: PROVIDE THE FOLLOWING INFORMATION

- Company name and a brief description of the business
- Number of shares and share class (e.g., common, preferred)
- Most recent 409A valuation or any available appraisal documentation
- Any restrictions on the shares (e.g., lock-up period, right of first refusal, transfer restrictions)
- Documentation confirming your ownership
- Confirmation of whether the company has filed for an IPO or has a planned liquidity event

STEP 3: WE COORDINATE THE TRANSFER

We coordinate directly with your company's transfer agent or stock administrator (e.g., Carta) to process the transfer. If the shares carry restrictions, we work with the company's legal and compliance teams to have those restrictions lifted before the Federation can sell the shares.

STEP 4: WE HOLD THE SHARES UNTIL A LIQUIDITY EVENT

Once the transfer is complete, the Federation holds the shares until a sale becomes possible, generally an IPO (after any lock-up period expires), an acquisition, or a company-sponsored tender offer or secondary sale. Until then, the shares are held in your fund as an illiquid asset and grants cannot be made against their value. While it is our policy to hold shares until a liquidity event, if there is an active secondary market for these shares, you can request that we try to sell the shares prior to the liquidity event.

PROCESSING TIME

Private-share gifts typically take 4 to 12 weeks from first contact to recorded transfer, mainly depending on how quickly your company approves the transfer. Please plan ahead, especially if you are anticipating a year-end contribution.

When the shares are eventually sold, net proceeds are deposited into your donor-advised fund.

Note: a 409A valuation (used to price employee options) is not the same as the qualified appraisal the IRS requires to substantiate a charitable deduction for gifts of private stock over $5,00. You will need a separate qualified appraisal for your gift. Consult your tax advisor for guidance specific to your situation.

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