

## Frequently Asked Questions Regarding Fair Market Valuation

### **1. What is the purpose of submitting these forms?**

**Answer:** The IRS requires updated valuations, as they need to verify the current value of your accounts. To comply with these requirements, we ask that you provide the account values as of December 31<sup>st</sup> so we can accurately update our records.

### **2. How is the IRS notified of these values?**

**Answer:** We manually update the account values, so they are accurately reflected on Form 5498. This form is submitted directly to the IRS and is also uploaded to your IRA Club portal for your records.

### **3. Does the Fair Market Valuation of my assets affect my taxes or Required Minimum Distributions (RMDs)?**

**Answer:** Yes.

**For taxes:** If a ROTH conversion or asset distribution occurs, the taxable amount reported to the IRS is based on the Fair Market Value of the assets you provide.

**For RMDs:** Clients age 73 and older must take Required Minimum Distributions from a Solo 401(k), SIMPLE, SEP, or Traditional IRA. RMDs are calculated using the account's Fair Market Value as of December 31<sup>st</sup> of the previous year. Providing accurate, updated valuations helps ensure your RMD is neither under- nor overstated. Additionally, the RMD amount is reported on Form 5498.

### **4. Is the Fair Market Valuation form required every single year?**

**Answer:** Yes. Asset values may increase, decrease, or remain unchanged from year to year, and these fluctuations must be reported. We request year-end values annually so we can accurately update your account, report the information to the IRS, and calculate any applicable RMDs.

### **5. What happens if I don't submit my Fair Market Valuation on time?**

**Answer:** A \$175.00 Unreturned Fair Market Valuation fee will be assessed, as we are still required to report the account information to the IRS on your behalf. Additionally, the values reported may not align with those provided by your investment provider, which could create discrepancies in the event of an audit.

**6. I noticed that the form states I need to provide supporting documentation with the form. What kind of supporting documentation is needed?**

**Answer:** Please refer to the table on page one of the Fair Market Valuation form under the “[Documents Required](#)” for a list of acceptable supporting documents.

**7. Does the supporting documentation need to be in a statement format?**

**Answer:** Not at all. Supporting documentation may be provided in the form of a notice, letter, or even an email, as long as it is issued by the investment provider or presented on their official letterhead.

**8. Would my IRA Club portal statement be okay to submit as the supporting documents?**

**Answer:** No. The values displayed on your IRA Club statement are the amounts we are seeking to update. Since we do not manage the underlying assets, we do not have access to their current values. Please contact your investment provider directly to obtain the updated valuation.

**9. What happens if my investment provider can't provide values as of December 31<sup>st</sup>?**

**Answer:** If year-end values are unavailable, please request the most recent available values, such as those from the third quarter. If no 2025 values are available, use the values as of December 31, 2024.

**10. Do I need to submit the values and supporting documentation for my iFlip account?**

**Answer:** Yes. Although this is not a private placement, we are still required to update the value of your iFlip brokerage account. Please log in to your iFlip portal and select “[Documents](#)” from the menu to access your monthly statements. Choose the December statement and record the amount listed under **Total Equity Holdings** in the **Closing Balance column** on the fair market valuation form. Download the December statement and attach it as supporting documentation when submitting the valuation form.