



MANAGED SERVICE

Marketing Campaign Strategy & Resources

**TO PROMOTE YOUR NEW 1031 EXCHANGE
SERVICE OFFERING**

Introduction

Managed Service through Accruit is a partnership where we want to see our customers succeed in their new 1031 Exchange service offering.

There may be easy opportunities for you to convert existing customers or centers of influence to your new 1031 exchange service through ongoing education. Alongside those easier conversions we want to assist you in growing your offering which takes resources, content, and strategy.

We have tried to make it easier for you to launch a comprehensive marketing strategy through the information and resources included in this packet. Within you will find content templates for website content, email campaigns, and social media marketing!

Table of Contents

MARKETING STRATEGY	2
MARKET POSITION AND DIFFERENTIATION	2
FEDERATION OF EXCHANGE ACCOMMODATORS (FEA)	2
SERVICE OFFERING	2
CAMPAIGN SCHEDULE	3
MARKETING CHANNELS	3
WEBSITE CONTENT	4
1031 EXCHANGE CONTENT OVERVIEW	4
SAMPLE WEB CONTENT - CONCISE	4
SAMPLE WEB CONTENT - EXTENDED	4
BLOG CONTENT	6
EMAIL CONTENT TEMPLATES	10
EMAIL #1	10
EMAIL #2	11
EMAIL #3	11
SOCIAL MEDIA	11
.....	12
POST CONTENT TEMPLATES + GRAPHICS	12
.....	12
POST #1	12
POST #2	12
POST #3	12
POST #4	12
POST #5	12
POST #6	12
POST #7	12
POST #8	13
POST #9	13
POST #10	13
COLLABORATIVE MARKETING OPTIONS	13
ANNOUNCEMENT SOCIAL MEDIA POST	13
ANNOUNCEMENT ARTICLE	13
PRINT MARKETING	13
PRE-DESIGN PHYSICAL ASSETS	14
FLYERS	14
BI-FOLD	14
NOTECARD	14

Marketing Strategy

Market Position and Differentiation

As a Managed Service Facilitator, you have access to the full depth and resources of Accruit and our parent company, Inspira Financial. When looking to differentiate yourself from the competition, we recommend you highlight the below value propositions you inherit through the Managed Service platform in combination with your own value to the customer:

- Attorney/Subject Matter Experts, CPAs, and Certified Exchange Specialists®
- Exchange funds held in segregated bank accounts
- \$50 million fidelity bond, \$25 million E&O, and \$15 million cyber liability
- Patented 1031 Exchange software, Exchange Manager ProSM, for seamless and secure processing and utilization

Federation of Exchange Accommodators (FEA)

The FEA is the national trade organization for Qualified Intermediaries and the greater 1031 exchange industry. Members include Qualified Intermediaries (QIs), their primary tax and legal counsel, and affiliated industries (TIC sponsors, banks, real estate brokers, title companies, settlement/escrow agents, etc.)

We strongly encourage you to look into becoming Professional Advisor member of the FEA, if eligible, for a minimal annual cost of \$250. Membership will allow you to promote yourself as a member of the FEA, as well as utilize the FEA logo within your own marketing efforts. Learn more at <https://www.1031.org/membership>

Service Offering

Through Managed Service, you offer 1031 Exchange services, you do not act as the Qualified Intermediary. When you position your company and services, you need to ensure you are doing so accurately.

Utilize Phrases such as:

- 1031 Exchange Services
- 1031 Exchange Service Offering

Avoid Phrases that include:

- Qualified Intermediary
- Qualified Intermediary Services

When explaining the service offering, we recommend speaking about Managed Service through Accruit as the platform you leverage to process exchanges and safeguard client funds and that you as Facilitator will remain involved as their 1031 advisor.

Campaign Schedule

Below is a recommended campaign cadence to announce your new 1031 Exchange service offering through Managed Service.

Day 1: Add content to your company website about your new 1031 Exchange service offering

Week 1: Send an announcement email to your customer database

Weekly: Execute at least one 1031 Exchange specific post on social media channels

Monthly: Offer an educational webinar on 1031 Exchanges supported by Accruit

Ongoing: Add 1031 Exchange service offering content to any existing email communications and utilize print marketing materials for brand awareness and education on 1031 Exchanges.

Marketing Channels

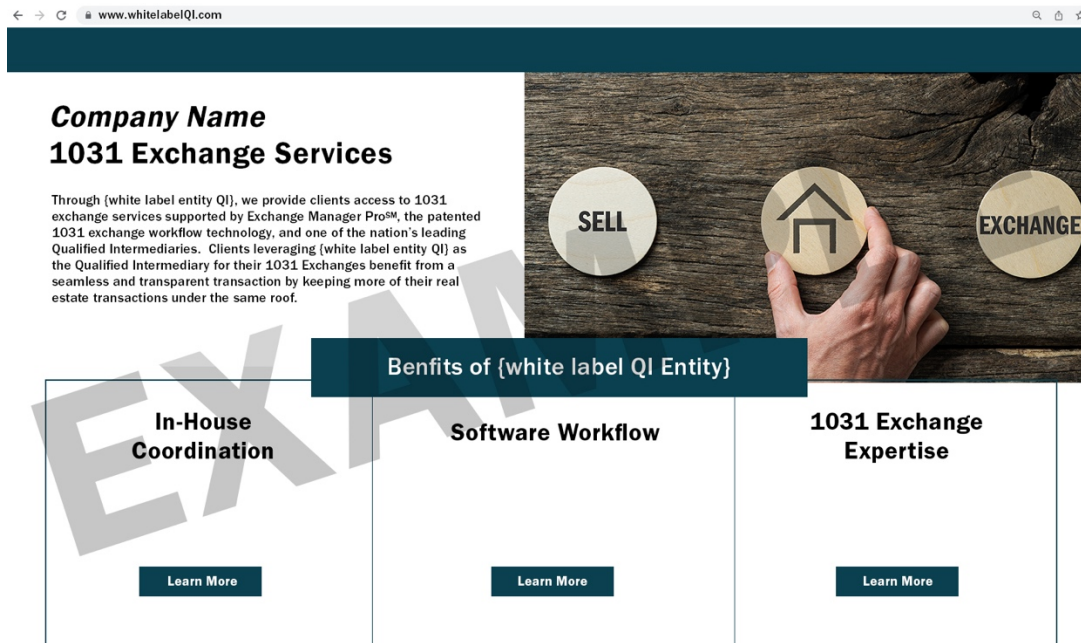
We suggest a combination of the following digital marketing channels to best showcase your 1031 Exchange service offering:

- Website
- Social Media Accounts
 - LinkedIn
 - Facebook
 - Instagram
 - X (formerly Twitter)
- Email Marketing: This could be through an email marketing system like Constant Contact, Mailchimp, or just via contact lists within your work email.
- Print Marketing

We recommend you leverage the power of your existing brand through your current website and social media channels in lieu of building new sites and social media channels.

Website Content

The first step to introducing your 1031 Exchange service offering to the market is to add content to your website.



1031 Exchange Content Overview

Sample Web Content - Concise

{Company Name} 1031 Exchange Services

Through {white label QI entity}, we provide clients access to 1031 Exchange services supported by Exchange Manager ProSM, the patented 1031 Exchange workflow technology, and one of the nation's leading Qualified Intermediaries. Clients leveraging {white label QI entity} as the Qualified Intermediary for their 1031 Exchanges benefit from a seamless and transparent transaction by keeping more of their real estate transactions under the same roof.

Benefits of {white label QI entity}

- **In-House Coordination:** We help coordinate the 1031 Exchange through our team, reducing friction and increasing efficiencies.
- **Software Workflow:** Patented 1031 software, Exchange Manager ProSM, keeps clients and advisors informed of transaction timelines, funds available, and other pertinent information throughout the 1031 Exchange.
- **1031 Exchange Expertise:** {white label QI entity} provides access to Subject Matter Expert Attorneys and Certified Exchange Specialists[®] (CES[®])
- **Security of Funds:** Have confidence in the security of your exchange funds with our coverage including: \$50 million Fidelity Bond, \$25 million Errors & Omissions, and \$15 Cyber Liability

Sample Web Content - Extended

{Company Name} 1031 Exchange Services

Through {white label QI entity}, we provide clients access to 1031 Exchange services supported by Exchange Manager ProSM, the patented 1031 Exchange workflow technology, and one of the nation's leading Qualified

Intermediaries. Clients leveraging {white label QI entity} as the Qualified Intermediary for their 1031 Exchanges benefit from a seamless and transparent transaction by keeping more of their real estate transaction under the same roof.

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What is a 1031 Exchange?

A 1031 Exchange is a tax deferral tool that allows the seller of qualifying real property to defer taxes on their transaction including Capital Gains, Depreciation Recapture, and Net Investment Income Tax, so long as the proceeds from the sale are used to acquire other qualifying, real property. Multiple requirements must be adhered to for a valid 1031 Exchange.

What is the role of a Qualified Intermediary?

A Qualified Intermediary ensures compliance with IRC 1031 for a valid 1031 Exchange. This includes the following:

- Acquires relinquished property from the Exchanger and transfers it to the Buyer
- Ensures Exchanger is not in actual or constructive receipt of any of the funds from the sale of the relinquished property
- Acquires replacement property from the Seller and transfers it to the Exchanger
- Structures the exchange per IRC 1031
- Prepares all related documentation
- Monitors and instructs the Exchanger of action to ensure maintained compliance throughout the exchange

Blog Content

Blog 1: What is a 1031 Exchange?

A 1031 Exchange, also known as a like-kind exchange or tax deferred exchange, is where real property that is “held for productive use in a trade or business or investment” is sold and the proceeds from the sale are reinvested into a like-kind property intended for business or investment use. A 1031 Exchange allows the taxpayer, or seller, to defer the capital gains tax and depreciation recapture on the transaction.

The property sold as part of a 1031 Exchange is the Relinquished Property. The property purchased is the Replacement Property. The real property in a 1031 Exchange must be like-kind; most real estate is like-kind to all other real estate. For example, an office building could be exchanged for a rental duplex, a retail shopping center could be exchanged for farmland, etc.

During a 1031 Exchange, neither the taxpayer nor an agent of the taxpayer can receive or control the funds from the sale of the property. If a taxpayer has direct or indirect access to the funds, a 1031 Exchange is no longer valid. A Qualified Intermediary is used to hold the proceeds of the Relinquished Property sale until it is time to transfer those proceeds for the close of the Replacement property.

To be eligible for a 1031 Exchange, the person or entity must be a US tax paying identity. This includes individuals, partnerships, S-corporations, C-corporations, LLCs, and trusts. However, it is a requirement that the same taxpayer sells the relinquished property and purchases the replacement property for a valid exchange.

1031 Exchanges were first authorized in 1921 because Congress saw the importance of people reinvesting in business assets and they wanted to encourage more of it. There have been changes and additions to the regulations that govern 1031 Exchanges, and the most recent changes impacting real estate in a 1031 Exchange were in 2001.

Blog #2: What are the requirements and rules for a 1031 Exchange?

All 1031 Exchanges, regardless of the type, have a 45-day identification period and a 180-day exchange period.

For a 1031 Exchange to be in accordance with IRC § 1031, within 45-days of the close of the sale of the Relinquished Property the taxpayer must identify their potential replacement property(ies) in writing to the qualified intermediary. The replacement property(ies) description must be unambiguous and specific, using a physical address or legal description.

In relation to the 45-day identification period, there are rules that a taxpayer must follow when identifying their potential replacement property(ies). There are three distinct identification rules that the taxpayer can use, and they can choose the appropriate rule for their specific exchange situation. The three rules are as follows:

1. **3-Property Rule:** A taxpayer can identify up to three properties without regard to the fair market value of the properties, and they must close on at least one of the identified properties for the exchange to be valid.

2. 200% Rule: A taxpayer can identify more than three properties, but the fair market value of all properties combined cannot exceed 200% of the fair market value of the Relinquished property(ies).
3. 95% Rule: A taxpayer can identify infinite properties, the combined value of which exceed 200% of the value of what they sold, but they must acquire at least 95% of the fair market value of the properties they identify.

All 1031 Exchanges have a 180-day time limit starting from the day of the close on the sale of the Relinquished Property. If the taxpayer has not completed the purchase of the Replacement Property before or on day 180, then the exchange is closed, and the taxpayer must recognize and pay taxes on the proceeds from their Relinquished Property sale. There are no extensions or exceptions available.

Blog #3: Does it make sense to do a 1031 Exchange?

Below is a simple guide that can help determine if your situation qualifies for a 1031 Exchange and if a 1031 Exchange seems like the best option for your upcoming real estate transaction.

Do you, or your entity, pay US taxes? If yes, then you are eligible for a 1031 Exchange.

Is the property you are selling “real property” that has been held for business or investment use? If yes, then the property should qualify for a 1031 Exchange.

Are you planning on reinvesting the full sale proceeds from the sale of your property into another property that will be held for business or investment use? If yes, then you qualify for a 1031 Exchange. However, if the answer is no, perhaps you plan to reinvest your proceeds into a second home for yourself, then the transaction would not qualify for a 1031 Exchange.

Do you plan on reinvesting all the proceeds from the sale into a new business or an investment use property? If yes, or if you plan to reinvest the majority, then a 1031 Exchange would be a good fit. If you need or want to keep most of the proceeds rather than reinvest, then a 1031 Exchange wouldn't provide a ton of value.

Have you already sold your property and received the proceeds? If yes, then you no longer qualify for a 1031 Exchange because you already received the gain which is now taxable.

From the close of the sale on your property, will you be able to identify a potential replacement property within 45 days? If you think you can achieve this, then a 1031 Exchange could be a great option for you!

Is it feasible to sell your property and acquire your new property within a 180-day period? If yes, then a 1031 Exchange should be considered.

Your answers to the basic questions above should give you a good idea whether a 1031 Exchange is a good fit for your situation or not. As always, consult your tax advisors to determine the right strategy.

Blog #4: Who manages the 1031 Exchange process?

Since 1991, IRC § 1031 has required the use of an impartial third party to hold the proceeds from the Relinquished Property sale until the close on the Replacement Property. This third party is known as a Qualified Intermediary.

Not only does the Qualified Intermediary hold the funds during the exchange period, but they also help structure the exchange, prepare the exchange documentation, continuously monitor, and guide the taxpayer to ensure compliance of the exchange in accordance with Section 1031 at both the state and federal level.

While there are no federal regulations governing Qualified Intermediaries, with the help of the Federation of Exchange Accommodators (FEA), many states started state-level requirements to uphold high professional standards for Qualified Intermediaries conducting exchanges in their states. The requirements can vary state to state, but typically include some or all of the following:

- Minimum bond and insurance requirements
- Registration and licensing requirements
- Investment limitations on exchange funds
- Qualified escrow and/or trust accounts for exchanger funds
- Fund withdrawal authorization requirements

The foundation of all successful 1031 Exchanges is laid by the Qualified Intermediary. Do your due diligence in researching Qualified Intermediaries to ensure you are not only getting the best service possible, but to ensure your deferred capital gains tax will hold up above IRS review.

Blog #5: How much money do you have to reinvest?

In order to defer ALL capital gains and depreciation recapture taxes from the sale of the Relinquished Property the taxpayer must pay an equal or higher price for the Replacement Property than the Relinquished Property was sold. Should any debt or amount not be reinvested this portion, called boot, would be taxable.

Boot is any non-like-kind property or properties that does not qualify, which could include cash, notes, partnership interests, securities, inventory, or property held primarily for sale not investment, etc. Boot is categorized in two types: cash boot, which is cash received, and mortgage boot, which is any reduction in loan or debt on the exchange. Any boot received during a 1031 Exchange is subject to taxation as either depreciation recapture or capital gain.

It is important to note that any credits on the settlement statement directly paid out to the taxpayer may also result in boot and a taxable event. If certain situations are not handled properly in the construction and administration of the 1031 Exchange, it can result in credits on the settlement statement. Here are couple common situations:

If earnest money is paid out of pocket by the taxpayer, then they will be credited on the settlement statement. To avoid this, the earnest money should be paid by the Qualified Intermediary out of the exchange funds whenever possible.

If the settlement statement shows credits for property taxes, security deposit, or rent prorations, those would be taxable. Instead, the taxpayer should consider asking the seller to pay these items outside of the closing.

In summary, to avoid a taxable event in entirety, the taxpayer must reinvest equal to or greater than the value of the sale of the Relinquished Property. However, the taxpayer may take cash out, creating boot, but they will have to pay the associated taxes.

Blog #6: Does a vacation home qualify for a 1031 Exchange?

One of the most common questions asked is whether or not a vacation property qualifies for a 1031 Exchange. There are three basic rules for including a vacation home in a 1031 Exchange that were introduced by the IRS in 2008.

For a vacation home to qualify as relinquished property in a 1031 Exchange, first the vacation home must have been held by the taxpayer for a minimum of 24 months immediately preceding the exchange. Second, the vacation home must have been rented at fair market value for at least 14 days in each of the 12-month periods. Third, the property owner cannot have used the vacation home personally for more than 14 days or 10% of the days the home was rented out (whichever is greater) within both 12-month periods.

The rules for a vacation home as a replacement property are the same as above. The property must be held for a minimum of 24 months after the close of the exchange; the property must be rented out at fair market value for at least 14 days in each 12-month period; and the taxpayer cannot use the vacation home for personal use more than 14 days or 10% of the days it was rented out (whichever is greater) in each 12-month period.

There is one small exception to the days a taxpayer can use both the relinquished and replacement properties, which states that the taxpayer can use the home for personal use above and beyond the 14 days or 10%, if the overage was used to complete improvements or maintenance. If a taxpayer plans to utilize this exception, they should keep all receipts of maintenance, or improvements completed during the duration of their stay to ensure they comply with the regulations upon scrutinization.

Following the rules above, a vacation property can be eligible property for a 1031 Exchange. It is strongly recommended that a taxpayer contemplating a 1031 Exchange involving vacation property discuss the transaction with their tax and legal counsel before doing so.

Blog #7: Can you buy a property before you sell a property in a 1031 Exchange?

While a taxpayer cannot utilize a traditional, forward 1031 Exchange when they are looking to buy replacement property prior to selling the relinquished property, they might be able to utilize a Reverse Exchange.

Most 1031 Exchange transactions are structured as forward-delayed exchanges, where the taxpayer sells their relinquished property, and then acquires their replacement property within 180 days. But there are times when the taxpayer must acquire their replacement property before the relinquished property sells. This is possible through a process that is known as a Reverse Exchange.

In a reverse exchange, the Qualified Intermediary creates a special purpose entity, a single-member LLC ("SPE"), that will take title to the replacement property on the taxpayer's behalf. The taxpayer will then lend the purchase money to the SPE or coordinate with its lender to do so. The taxpayer will also assign its purchase rights under the contract to the SPE so that the SPE may properly complete the acquisition. Once the

SPE has acquired the replacement property, the SPE will lease it to the taxpayer under a triple-net lease in exchange for the taxpayer's management expertise. The taxpayer will operate the property as if the SPE did not exist: leasing it, collecting rents, etc.

The taxpayer will continue to market the relinquished property for sale. Upon negotiating the sale of that property, the remainder of the exchange process looks much like a traditional forward-delayed exchange, with some minor variations. The taxpayer will assign its rights under the sale contract to the QI. At closing, the exchange proceeds will flow to the QI, as in a typical forward-delayed exchange. However, instead of being used to acquire the replacement property, the exchange funds will now be used to pay down the loan from the taxpayer that was used to acquire the replacement property. Immediately thereafter, the QI will transfer ownership of the replacement property to the taxpayer, completing the reverse exchange.

The process is a little more cumbersome than a traditional forward-delayed exchange. And a full outline of the procedures would take many pages. But the bottom line is that a taxpayer may acquire their replacement property before they have sold their relinquished property. Also, the entire transaction process must still fit within the 180-day exchange period.

Email Content Templates

Email marketing is crucial for businesses to promote services. It offers high ROI, averaging \$42 for every \$1 spent – or it be free depending on your programs.

Individuals 55+ often access and review emails regularly. Studies suggest this demographic checks their emails multiple times per day, with many using email as a primary means of communication and staying informed. While specific frequency may vary among individuals, emails remain a significant part of their daily digital routine. Surprisingly, 73% of millennials prefer business communication via email, making it a powerful tool for reaching key demographics effectively.

Email #1

Subject: {QI Entity Name} Is Now Offering 1031 Exchange Services!

Hello,

Our team is excited to announce that in addition to our {business services}, we are now offering 1031 Exchange services!

A 1031 Exchange allows for the potential deferral of capital gains, depreciation recapture, state, net investment income tax for qualified real estate transactions. Should you, or your clients, have 1031 Exchange needs {QI Entity Name} is here to help.

Please reach out to us with any questions or to learn more about our new 1031 Exchange service offering!

Email #2

Subject: Did you hear the news? We now provide 1031 Exchange services!

Hello,

In case you missed the news, we are now offering 1031 Exchange services along with our {business services}.

This new service offering will help our clients keep more of their real estate transaction under one roof – our roof.

Give us a call, if you, or your clients, are interested in learning more about deferring tax on qualified real estate transactions through our new 1031 Exchange service offering.

Email #3

Subject: Defer Tax with our 1031 Exchange Services

Hello,

You have been a valued client and we excited to announce that in addition to our {business services} we now offer 1031 Exchange services.

On your next real estate transaction, be sure to consider a 1031 Exchange, which allows for the potential deferral of capital gains, depreciation recapture, state, and net investment income tax. With a 1031 Exchange you can reinvest 30% more capital by achieving tax deferral on your transaction.

Contact us to learn if you real estate holdings qualify for a 1031 Exchange.

Social Media

Social media is vital for businesses to promote services due to its extensive reach and influence. With 2.8 billion users on Facebook, and 46% aged 30-49, 32% aged 55+, it's a prime platform for real estate marketing.

LinkedIn, with 310 million users, is key for professionals, where 97% of real estate agents are active. Instagram, with 1 billion users, appeals to younger demographics, with 67% of users aged 18-29.

Millennials collectively held an estimated \$2 trillion worth of investment real estate, together these social media platforms influence 47% of millennials' real estate purchases. Thus, leveraging social media channels is imperative for businesses to tap into diverse demographics and boost sales.

Post Content Templates + Graphics



*Download
Social Media
Graphics*

Below we have provided social media post content that coordinates with 10 pre-designed social media graphics that can be utilized.



Post #1

{Company Name} is proud to offer 1031 Exchange services through {QI Entity Name}. That's right – we are not only your go-to for {business services}, but also 1031 Exchanges.

Post #2

Interested in learning more about tax deferral with a 1031 Exchange? Give us a call!

Post #3

A 1031 Exchange allows for the potential deferral of capital gains, depreciation recapture, state, and net investment income tax on qualified real estate transactions. Learn more about our 1031 Exchange services!

Post #4

Let us help you with more of your real estate transactions through our 1031 Exchange services

Post #5

Gain a better understanding of the reinvestment requirement to receive full tax deferral with a 1031 Exchange. (link to blog)

Post #6

Learn more about the rules & regulations for a valid 1031 Exchange at (link to blog)

Post #7

People often ask if a vacation home qualifies for a 1031 Exchange. The answer isn't as simple as yes or no. Learn more about the considerations for a 1031 Exchange involving a vacation home at (link to blog)

Post #8

Get answers to some frequently asked questions around 1031 Exchanges at [\(link to 1031 Exchange FAQ flyer\)](#)

Post #9

What is a 1031 Exchange? Learn more about this powerful tax deferral strategy at [\(link to blog\)](#)

Post #10

Learn more our 1031 Exchange services and how we can help you defer tax on qualifying real estate transactions at [\(link to web page on 1031 Exchange services\)](#)

Collaborative Marketing Options

If desired, Accruit's team is happy to amplify your Go-to-Market offering by distributing the following content:

Announcement Social Media Post

Facebook, LinkedIn, and X (Twitter) post announcing your company as a new Managed Service Facilitator, something like the below –

We are excited to welcome (Company Name) to our 1031 Exchange Platform, Managed Service. (Company Name) is now offering 1031 Exchange Services in addition to their (business services) to the greater (geographic area) market.

Announcement Article

Tailored article posted on the Accruit website, distributed via social media channels, and national press outlets, when applicable.

This article will announce your company as a new Managed Service Facilitator offering 1031 exchange services. It will be drafted by Accruit's Marketing team based on information and details provided to us to highlight, including quotes from key stakeholders within your company.

Print Marketing

Print marketing collateral plays a vital role in increasing brand awareness and educating customers about the services provided by a business. Physical materials such as brochures, flyers, and posters provide a tangible representation of your brand, leaving a lasting impression on potential customers. They convey a sense of professionalism and legitimacy, instilling trust, and confidence in the brand among consumers.

Print collateral works synergistically with digital marketing efforts, reinforcing messages delivered through online channels and providing a multi-channel marketing approach. Overall, print marketing collateral serves as a valuable tool for brand building, increasing awareness, and educating consumers about business offerings in a tangible and impactful way.

Pre-Design Physical Assets

Flyers

[1031 Exchange Basics](#)

[Sales VS Exchange: Should I do a 1031 Exchange?](#)

[1031 Exchange Process for Taxpayer](#)

[1031 Exchange FAQs](#)

[Understanding 1031 Exchange Requirements](#)

[Overview of Reverse \(Parking\) Exchanges](#)

[Overview of Build-to-Suit/Improvement Exchanges](#)

[1031 Exchange Bridging 2 Tax Years](#)

Bi-Fold



Notecard

