

## Real Estate Gift Guidelines

A charitable gift unearthed

Would you like to use your real estate assets to fulfill your philanthropic goals and receive financial and tax benefits? If you answered “yes,” then making a charitable gift of your real estate to the Community Foundation for Greater Atlanta might be right for you.

“A vacation home, piece of rental property or commercial property can be a wonderful way to be philanthropic – given the right circumstances.”

*Christy Eckoff,  
director, gift planning,  
Community Foundation  
for Greater Atlanta*



Visit [cfgreateratlanta.org](http://cfgreateratlanta.org)  
for more information.

### ADVANTAGES OF A GIFT OF REAL ESTATE

From farmland to timberland to vacation residences to rental properties to commercial property, a gift of real estate can unlock the full value of your property and offer special economic advantages.

- ◆ You can make a substantial gift through a transfer of residential, commercial, or undeveloped real estate.
- ◆ If you own property not subject to a mortgage that has appreciated in value, a charitable gift can be a tax-wise charitable giving option.
- ◆ An outright gift of appreciated property offers maximum tax advantages because the charitable deduction is generally based on the full fair market value of the property. (An appraisal is needed for IRS purposes.)
- ◆ A gift of the remainder interest in your home or farm (called a “retained life estate”) can provide a current tax deduction, avoid capital gains taxes and allow you to continue to live in your home.
- ◆ A gift (or partial interest) of appreciated property can be used to create a charitable remainder trust (CRT), which will provide you (and/or you and a second beneficiary) an annual income for life.

### CASE-BY-CASE EVALUATION

Because every piece of real estate is unique, the Community Foundation must make a case-by-case determination regarding acceptance of a particular gift of real estate. As part of this process, we review each proposed gift of real estate partly to determine the conditions under which we will be able to sell it.

Generally, it is our goal to sell the contributed real estate for its full fair market value as soon as possible. Then, we add the proceeds to the donor’s fund for use in grantmaking to registered 501(c)(3) nonprofit organizations.

*(continued)*

### HOW TO WORK WITH US ON A POTENTIAL GIFT OF REAL ESTATE

In order to conduct a review to determine if we can accept a gift of real estate, we request the following:

- 1** The donor provides the location, or a plot map, of the property so we can make a visual inspection of the site.
- 2** The donor provides copies of all leases, mortgages and other contracts affecting the property.
- 3** We request that the donor contract and pay for a Phase I Environmental Assessment of the property so that we can be assured the property is free of contamination and environmental hazards. If the Phase I Environmental Assessment indicates an environmental problem exists, an additional assessment or remediation may be required.
- 4** Tax law requires that the donor obtain a “qualified appraisal” of the property. The donor will need this appraisal in order to claim a charitable income tax deduction on the donor’s tax return for the year of the gift. The specific requirements for a qualified appraisal can be found in the IRS regulations or in the IRS Publication 561, “Determining the Value of Donated Property.” While it is a requirement according to tax law, sharing a copy of the appraisal with us is helpful in our efforts to sell the property. The donor, the Community Foundation and the appraiser must all sign IRS Form 8283, which must be filed with the donor’s tax return.
- 5** The donor provides evidence of clear title to the property through a title insurance policy.
- 6** We request that the donor sign an Indemnity Agreement to provide protection for the Community Foundation’s other assets. The need for this agreement arises from the fact that there may be expenses that will require a cash outlay on the part of the Community Foundation between the time the property is contributed and eventually sold. A donor’s fund might not have enough liquid assets to allow the Community Foundation to cover these expenses. Examples of such expenses could include taxes, insurance, maintenance, condominium charges, etc. Sometimes the proceeds from the sale of the property by the Community Foundation can be used to cover the Community Foundation’s expenses with respect to the property. This typically depends on how quickly the property is sold after the gift.

#### ABOUT US

Since 1951, the Community Foundation for Greater Atlanta has been a trusted philanthropic resource for our 23-county metro Atlanta region. We do this through our mission of providing quality services to donors and innovative leadership on community issues.

**To explore giving a gift of real estate** at the Community Foundation for Greater Atlanta, please contact Christy Eckoff, director, gift planning at [ceckoff@cfgreateratlanta.org](mailto:ceckoff@cfgreateratlanta.org) or call 404.588.3183.