

GIFTS OF REAL ESTATE

GIVING BACK TO THE PEOPLE YOU CARE MOST ABOUT AND TO YOUR COMMUNITY

What are Gifts of Real Estate?

You may give appreciated real property or remainder interest of your home to the nonprofit Endowment Fund at the Chester County Community Foundation. You continue to retain the use of the property during your lifetime. The donor retains the responsibility for maintenance, upkeep and taxes. For the year the gift is made, it is considered a charitable contribution. This may result in a substantial income tax charitable deduction. After the tenancy terminates, the Chester County Community Foundation becomes the owner of the property. When property is sold the proceeds of it is added to your Nonprofit Endowment Fund at the Chester County Community Foundation.

Tax Consequences:

The donor can receive a charitable income tax deduction based on the present value of the remainder interest.

The donor receives gift or estate tax deduction for the value of charitable interest

Real Estate Restrictions

- ◆ Requiring the community foundation to retain the contributed property
- ◆ Granting the donor a right of first refusal to purchase the contributed property;
- ◆ Assuming leases, contractual obligations, pledges or other liabilities of the donor; and
- ◆ Establishing irrevocable relationships for the maintenance or management of assets transferred to the community foundation.

Real Estate

- ◆ Before agreed upon charitable gift The Chester County Community Foundation must inspect the property's physical and environmental condition. This avoids risk and marketability. Also inspection is necessary to determine the cost of maintenance, and weather you want to hold the property or intend to sell it. Acceptance of a gift of real estate involves The Community Foundation or the financial office as well as the development office.
- ◆ Charities are not shielded from liability in gifts of toxic sites. You need to consider the need for environmental assets.
- ◆ The property should not be in binding commitment to sell to a "buyer-in-the-wings". This may result in the gain on appreciated property being taxed to the donor.

About us:

Since 1994, the Chester County Community Foundation has actively partnered with donors who believe that positive change occurs through effective charitable giving. Today, we manage more than 350 charitable funds started by individuals, families, businesses and nonprofit organizations. Together, these funds represent ordinary people who have made extraordinary commitments to our community.

To establish a Charitable Lead Trust contact:

Beth Harper Briglia, CPA, CAP
Vice President of Donor Services
610-696-8211
beth@chescofc.org

"Make an extraordinary gift, transfer the burden and expense of managing the property, and remove a large asset from your taxable estate at the same time."

-Karen Simmons
President & CEO
Chester County Community Foundation

