

## GIFTS OF REAL ESTATE

GIVING BACK TO YOUR COMMUNITY & THE CAUSES YOU CARE ABOUT MOST

### What Are Gifts of Real Estate?

- A donor may give appreciated real property to a fund at the Chester County Community Foundation.
- The year the gift is made, it is considered a charitable contribution. This may result in a substantial charitable income tax deduction.
- The Community Foundation becomes the owner of the property. When property is sold, the proceeds are added to the designated endowed fund at the Community Foundation.

### Tax Consequences

- It is often tax-advantaged to make a gift of real estate to a Community Foundation rather than a private foundation.

### Real Estate

- Before agreeing upon accepting a charitable real estate gift, the Community Foundation must inspect the property's physical and environmental conditions, to determine risk, maintenance, and marketability.
- Charities such as the Community Foundation are not shielded from liability in gifts of toxic sites. The need for environmental assets must also be considered.
- The Community Foundation should always be consulted prior to any commitment to sell a contemplated real estate gift.
- 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.

## Real Estate Restrictions

- The donor cannot require the Community Foundation to retain the contributed property.
- A donor cannot establish irrevocable relationships for the maintenance or management of assets transferred to the Community Foundation.
- The Community Foundation cannot grant the donor a right of first refusal to purchase the contributed property.
- The Community Foundation cannot assume leases, contractual obligations, pledges or other liabilities of the donor.

## Non-Cash Contribution

- Real estate is non-cash property. As with other non-cash contributions, the donor must include form 8283 with their tax return.
- A qualified appraisal is also required. The appraiser must be appropriately certified by the IRS.



To discuss possible Gifts of Real Estate, contact:

**Jason Arbacheski, CAP**

Gift Planning & Stewardship Director

[jason@chescofc.org](mailto:jason@chescofc.org)

(610) 696-2628

