



COASTAL COMMUNITY FOUNDATION
OF SOUTH CAROLINA

Give Back. Look Forward.

When a Gift of Real Estate Makes Sense

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WHY WOULD SOMEONE GIVE REAL ESTATE TO COASTAL COMMUNITY FOUNDATION?

Some people have more land than cash, and there are specific advantages to the owner who decides to give real estate.

WHAT ARE THOSE ADVANTAGES?

A donor may generally deduct the full market value of the real estate. Normally, no taxes will be incurred unless the donor's debt on the property is greater than his or her basis for tax purposes. If the property is to be sold after it is received by Coastal Community Foundation (which is generally the case), it should be gifted before a sales contract is signed in order to avoid having the IRS deem the donor, instead of the Foundation, to be the seller. The procedure is, therefore, somewhat time sensitive and must be handled carefully.

WHAT ABOUT A GIFT OF APPRECIATED REAL ESTATE?

The donor can deduct the appreciated value of the gift if the property has been held "long term". Certain rules apply as to the amount of the deduction which can be taken in the year of the gift.

WHAT KINDS OF PROPERTIES ARE PARTICULARLY APPROPRIATE FOR A GIFT TO COASTAL COMMUNITY FOUNDATION?

Ideal properties are those which are non-commercial, are not mortgaged, can be expected to be sold reasonably soon after they are received by the Foundation, and are environmentally "clean".

WHAT ABOUT A RESIDENCE?

There is a special provision in the Internal Revenue Code (Section 170(f)(3)(B)(i)) which allows a donor to give a "remainder interest" in a personal residence or farm to a charitable organization and receive an income tax deduction for the computed value of that remainder interest. The donor can continue to live in the residence or on the farm for life, with the property passing to the charity after he or she dies. This special rule is available only for personal residences and farms. (A "remainder interest" is normally ownership of the property after the donor, who has the "life interest", dies.)

WHAT IS THE FIRST STEP?

Contact the staff at Coastal Community Foundation to make an appointment to discuss a possible gift. Whether or not you decide to establish a fund, Foundation staff will gladly explain the giving process to you. You might also discover a way to give through a charitable trust or some other form of estate planning. Remember, it is also important to consult with your own tax or legal advisor, too!

Heyward Carter has been the Foundation's Legal Counsel and loyal friend for many years.