

A charitable gift unearthed

Gift of Real Estate & Appreciated Stock



Making a charitable gift of real estate through your community foundation can help you turn your property gains into community good. The value of your real estate may exceed that of any other asset you own. With the help of your community foundation, you can use it to fulfill your charitable interests and receive financial and tax benefits.

How it works

- You identify real estate property that you would like to give; an appraisal will help you establish its estimated market value.
- We assess the real estate for compliance with our acceptance policies and gather appropriate documentation.
- Your gift can be placed in any of our charitable funds. For example, you can use your gift to create a Donor Advised Fund in your name, in the name of your family or business, or in honor of any person or organization you choose. You can then stay involved in recommending uses of the fund.
- Your gift qualifies for a tax deduction based on its full market value; you avoid the capital gains tax that would otherwise arise from the sale of the property.
- With gifts of real estate, your property gains translate into community impact, so you get a more rewarding return on a major asset.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work *forever*.

Real charitable value

Sandra and Cliff Stewart owned a summer home and had no heirs interested in inheriting it. At first, the Stewarts planned to sell the home and give the proceeds to charity. But after talking with their local Community foundation, they realized that giving the home directly to the foundation would create the biggest, most effective gift, while providing the greatest benefits to them as donors. “It was a great option—we could give our house to charity through the foundation and start any type of fund, not to mention the tax benefits,” says Sandra. The Stewarts learned they could also retain use of the home for their lifetime. “This way,” Cliff explains, “we can spend our summers enjoying the home for the rest of our lives. And after our lifetime, the community foundation will use the proceeds to make grants from the Sandra and Cliff Stewart Fund.”

More Benefits

A gift of real estate releases potential that has been tied up for years, enables you to make a bigger charitable difference than you may have thought possible, helps you avoid estate taxes, and minimizes or eliminates burden placed on your heirs. Charitable gifts of real estate range from personal residences and vacation homes to rental properties, farmland, and commercially developed land.

You may choose to give real estate outright and receive an immediate tax deduction or retain the use of the property during your lifetime and make a planned gift to your community foundation. You may also choose to convert real estate into a stream of income for the rest of your life by establishing a Charitable Remainder Trust or Charitable Gift Annuity with the community foundation. Doing this lets you transform a low-yield asset into a higher-yield, income-producing asset and claim a tax deduction for the charitable portion of the gift.

Generating a return for your community

“Our stock returns provided the means for giving to our community,” say Joanne and Gerald Johnson. That’s why they joined the many people who choose to contribute appreciated stock to open a Donor Advised Fund. Last year, The Johnson Fund supported a local family outreach program, a homeless shelter, and a local theatre group. “Some of our charities are too small to accept direct stock gifts,” says Joanne. “Giving through the community foundation eliminates that barrier.” The Johnsons receive a tax deduction on the full market value of their appreciated stock, while avoiding the capital gains tax that would otherwise arise from sale of this stock. Gerald says, “It’s a simple, satisfying way to give.”

Turning stock market gains into community investment

Everybody wins when you make a gift of appreciated stock to your community foundation. Your gains are put to good use. Your gift of stock is reinvested in your community, and it qualifies for an immediate tax deduction based on the full fair market value.

How it works:

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- Your gift can be placed into any of our charitable funds. For example, you can use your gift to create a Donor Advised Fund in your name, in the name of your family or business, or in honor of any person or organization you choose. You can then stay involved in recommending uses of the fund.
- Your gift qualifies for a tax deduction based on the full market value of your stock; you avoid the capital gains tax that would otherwise arise from the sale of this stock.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work *forever*.



More Benefits

Giving appreciated stock through a community foundation is popular among a range of givers—Individual investors, families, entrepreneurs, and even groups of friends who have formed investment clubs.

By giving stock through your community foundation, you can avoid capital gains taxes that would be due as a result of its sale and establish a charitable fund that benefits the local causes and organizations you care about most. With gifts of appreciated stock, your stock market earnings translate into community impact, so you get a more rewarding return on your portfolio. You can set up a scholarship; support special programs for at-risk youth, senior citizens, or other people in need; address environmental concerns; or support the arts.

