

GIFTS OF REAL ESTATE

Almost any type of real estate can be used to make a gift to Clark: land, farms, commercial buildings, rental property, vacation homes, or your primary residence. There are also a variety of ways to structure your gift, whether it's made during your lifetime or via a bequest. Real estate gifts provide a generous income or estate tax deduction based on the fair market value of the property. Typically, Clark will sell the real estate and use the proceeds to support the program or purpose you care about.

IS A GIFT OF REAL ESTATE RIGHT FOR YOU?

A real estate gift could fit with your charitable and financial goals if:

- You want to make a generous gift to Clark while saving on income or estate taxes
- You own real estate for which you no longer wish to be responsible
- You are downsizing and selling a primary or vacation home
- You are willing to donate your primary or second home so long as you can continue to live in it or use it for your lifetime
- You are willing to donate real estate in exchange for a lifetime income stream

**Did you know?*

You don't have to donate 100% of your interest in your property; with many real estate gift structures, you may be able to donate a partial interest to Clark while retaining the remainder for yourself or giving it to another charity.

WHAT CAN YOUR GIFT DO FOR CLARK?

Your gift of real estate can support a variety of projects at Clark or provide unrestricted funding for our educational mission. You can establish an endowed fund or other permanent way to keep your generosity alive for generations to come. Your gift can honor a family member, classmate, friend, or mentor, or support a department or program that changed your life.

MAKE A REAL ESTATE GIFT DURING YOUR LIFETIME

There are several ways to make a gift of real estate during your lifetime; each with different benefits and constraints. Note that most lifetime gifts require the property to be free of any mortgages or liens.

OUTRIGHT TRANSFER – MAXIMIZE YOUR TAX SAVINGS

Receive a tax deduction for your property's fair-market value. You may claim a deduction of up to 30% of your adjusted gross income in the year of your gift; any unused amount may be carried forward for up to five years. You avoid capital-gains tax on appreciation and may reduce your estate taxes.

BARGAIN SALE – A GIFT TO CLARK AND CASH TO YOU

If you're thinking of selling your real estate, you may be able to sell it to Clark for a reduced price. You receive an immediate cash payment and the difference between the appraised fair market value and the sales price is a charitable gift to Clark. You can claim an immediate federal income tax deduction and may also avoid tax on some of your capital gain in the property.

FIAT LUX LEGACY SOCIETY

Clark's Fiat Lux Legacy Society honors alumni, parents and friends who have demonstrated their commitment to Clark's future by establishing planned gifts or including the University as a charitable beneficiary of their estate plans.

Join us by creating your legacy gift for Clark today



RETAINED LIFE ESTATE – LIVE IN YOUR HOME AS LONG AS YOU WISH

You can give residential (your primary or second home) or farm property to Clark while retaining the right to occupy the residence or operate the farm for your lifetime. You will receive an immediate tax deduction for the remainder interest in your property. You remain responsible for all upkeep of the property and required expenses like taxes and insurance. Upon your death, Clark becomes the full owner of the property (the transfer avoids probate). If you choose to move out of the property before your death, you can:

- Rent the property to a tenant
- Give your life interest to Clark in exchange for a series of payments for your lifetime
- Relinquish your life interest to Clark and receive a second charitable tax deduction

CHARITABLE REMAINDER TRUST – MAKE A GIFT AND GET A LIFETIME INCOME STREAM

You can use a gift of real estate to fund a charitable remainder trust (CRT) which will make payments to you and/or other beneficiaries for your lifetime(s) or a set number of years. You transfer the real estate to the trust which sells it; the proceeds are invested and a percentage of the annual fair market value of the trust is distributed to the beneficiaries each year. Upon the death of the last beneficiary, the remainder of the trust is distributed to Clark (and, if you wish, other charities). A CRT gives you an immediate tax deduction and can help reduce and defer capital gains taxes on appreciated property.

MAKE A REAL ESTATE GIFT FROM YOUR ESTATE

By making a gift of real estate via a bequest in your will or living trust, you will retain use of your property during your lifetime and can change your gift plan should your circumstances or priorities change. You may be able to reduce estate taxes with your gift. You can direct your executor to either sell the real estate and distribute the proceeds or transfer the property directly to Clark.

If you wish to leave property to Clark via a bequest, please let us know so we can work with you to determine if it is an appropriate gift for Clark, how your gift will be structured and what purpose you would ultimately like your gift to support here at Clark. Your executor will likely need to complete an appraisal of the property as part of settling your estate.

THE PROCESS OF MAKING A REAL ESTATE GIFT

Real estate gifts are complex and may take significant time to complete. All real estate gifts (including bequests) require an in-depth review, including a title search and environmental assessment, and approval by the University's Gift Acceptance Committee before completion. If you're considering a real estate gift, please contact us before putting your property on the market or before agreeing (even informally) to a sale; your ability to take a tax deduction or use a particular structure can be compromised by these steps. Please note that Clark does not accept gifts of time shares.

In order to claim a federal income tax deduction for a gift made during your lifetime, you will need to get an appraisal of your gift by a qualified real estate appraiser (this is not an appraisal conducted by a bank or realtor). Your own attorney should also review all paperwork involved in a real estate gift and may need to be involved in drawing up legal documents. Legal, appraisal and some transfer costs are the donor's responsibility.

**Figuring out the best way to structure your planned gift can be complicated;
Clark's Office of Planned Giving is here to help.
To explore the possibilities of a gift of real estate or other property,
call (508) 793-7593 or email plannedgiving@clarku.edu.**