



THE MORLON GREENWOOD
FOUNDATION

Gift of Real Estate

- Do you own residential, commercial, or undeveloped real estate that has appreciated in value and you no longer wish to manage or maintain it?
- Has your home risen in value beyond the capital gains exclusion rate?
- Do you have a vacation home that your family no longer uses?
- Would you like to use your real property to pay income to you for life?

If you are interested in making a gift to the Morlon Greenwood Foundation and your answer to any of these questions is “yes,” a gift of real estate may be a good option for you.

The benefits of a gift of real estate

There are several ways you can donate real estate. Each method presents distinct advantages, depending on your circumstances and goals.

By giving property to the Morlon Greenwood Foundation, you can avoid or reduce the capital gains tax you would otherwise pay on sale, you may be able to take a substantial income tax deduction, you may choose to receive income for life, and you will have the satisfaction of providing significant support to the Morlon Greenwood Foundation .

A few things to know before making a gift of real estate:

- In general, it is the Morlon Greenwood Foundation’s policy to sell gift property rather than maintain and manage it.
- Before accepting any gift of real estate, the Morlon Greenwood Foundation representative must inspect your property to determine whether it can be sold within a reasonable amount of time and to ensure that there are no significant liabilities associated with it.

- If you intend to claim a charitable income tax deduction for your gift of real property, the IRS will require you to obtain an independent, qualified appraisal to determine the property's fair market value.
- Due to tax issues, debt-encumbered property is usually not appropriate for a charitable gift of real estate.

Options for making a gift of real estate

There are five primary ways to give a gift of real estate to the Morlon Greenwood Foundation . These options are described in full below:

Give your residence, rental/commercial property, or undeveloped land outright to the Morlon Greenwood Foundation. Once the Morlon Greenwood Foundation has agreed to accept a gift of real estate, you may give a partial or full interest in your property by simply executing and recording a deed naming the Morlon Greenwood Foundation as the new owner.

Give property to establish a charitable remainder trust

By establishing a charitable remainder trust (CRT), you can provide for a future gift to the Morlon Greenwood Foundation while receiving a tax deduction and a long-term income stream. When you give real property to establish a charitable remainder trust, the trustee, which could be the Morlon Greenwood Foundation, can sell the property without paying capital gains tax. The full proceeds from the sale can then be invested by the trustee and used to pay you and/or your beneficiaries an income for life or for a term of years. After your lifetime or when the trust term ends, the remaining funds will pass to the Morlon Greenwood Foundation to be used for the purpose(s) you designate. You may also be able to use a partial interest in the real property to fund the trust, and retain the cash proceeds from the sale of the remaining interest in the property.

Make a gift of a remainder interest in your home

A gift of a remainder interest in your home may be right for you if you wish to continue to live in your home for your lifetime. With this arrangement (sometimes called a retained life estate), you transfer a remainder interest to the Morlon Greenwood Foundation , which entitles you to a significant income tax deduction. You also enter into an agreement with the Morlon Greenwood Foundation that you will continue to perform all obligations of ownership, such as paying taxes and insurance. When the property comes to the Morlon Greenwood Foundation, without probate or other administrative procedures, the Morlon Greenwood Foundation will use the proceeds of the sale as you have instructed.

Sell your property to the Morlon Greenwood Foundation at a discounted price, also known as a bargain sale

In some limited circumstances, the Morlon Greenwood Foundation will purchase property at a discounted price—typically not more than 50 percent of its fair market value. The difference between the price the Morlon Greenwood Foundation pays and the fair market value (as determined by appraisal) constitutes the gift to the Morlon Greenwood Foundation, which entitles

you to an income tax deduction. This also provides you with cash from the purchase by the Morlon Greenwood Foundation.

Leave property to the Morlon Greenwood Foundation through a bequest

You can make a gift of real estate through a provision in your will or revocable trust agreement. Once the Morlon Greenwood Foundation receives the property, it is generally sold and the proceeds are used according to the purposes outlined in the bequest documents.