

A Gift of Real Estate

A tax-smart approach to maximize your philanthropic impact

Making a Gift of Real Estate

Whether it's the family home, undeveloped land, a rental property, or some other investment, your real estate held for more than one year may be the most highly appreciated asset you own. This means you could face significant capital gains taxes if you sell your real estate. Depending on your financial and charitable goals, donating real estate to a 501(c)(3) public charity, like Morris Animal Refuge, could allow you to leverage one of your most valuable investments to achieve maximum impact with your charitable giving.

If you are interested in making a donation of real estate to Morris Animal Refuge, please contact our Executive Director, Lewis Checchia, with some brief information about the property.

Lewis Checchia, Executive Director

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Frequently Asked Questions

Is my donation of real estate tax deductible?

Yes. The tax deduction is based on a current appraisal of a property less any cash paid to or on behalf of the donor (say, to pay-off a mortgage). The tax deduction applies against the donor's adjusted gross income, and is taken in the year of the gift plus, if necessary, five additional tax years.

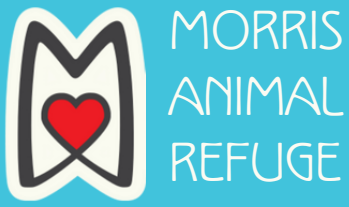
If I sell my property, I will owe significant taxes. Do I avoid these taxes through a donation?

Yes. A charitable donation of real estate eliminates taxes for capital gain and the recapture of depreciation on the gifted portion of the property. Outright gifts are 100% tax free and tax deductible.

What types of property will you accept?

We can accept any type of property in any location except timeshares. Residential, commercial, hospitality, resort, farms/ranches, and land, to name a few. Every donated property must be marketable at a price close to appraised value within a reasonable marketing period.

Morris Animal Refuge, 1242 Lombard Street, Philadelphia, PA 19147 | EIN 23-1352237



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What are the steps in a gift of real estate?

Morris Animal Refuge works with the organization Realty Gift Fund to accept real estate donations. This process has two steps...a donation to Realty Gift Fund, followed by a sale to a third party. The first step produces the “charitable gift”, and the second step produces the “charitable funds”. The charitable gift (the donor’s tax deduction) is based on a current appraisal of the property less any cash paid to or on behalf of the donor, and the charitable funds (net proceeds for the nonprofit world) are the sale price less cash payments, repair costs, and closing costs.

Does Realty Gift Fund charge a fee for its role?

No. Realty Gift Fund keeps a portion of the charitable funds when the property is sold (minimum \$20,000) and grants the balance of net proceeds to Morris Animal Refuge.

How much will Morris Animal Refuge receive from the sale of a donated property?

The amount of charitable funds shared between Realty Gift Fund and Morris Animal Refuge is based on the size and complexity of each donation but, on average, Morris Animal Refuge will receive 90%-97% of the net proceeds.

Who determines the value of my tax deduction?

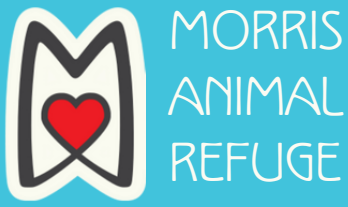
The IRS requires that every gift of real estate valued over \$5,000 have a current appraisal produced by a qualified appraiser. An appraisal is considered current if it is dated no earlier than 60 days to the date Realty Gift Fund takes title.

What are the costs to the donor for a gift of real estate?

Most often the donor pays only for the appraisal. Realty Gift Fund usually absorbs all other financial obligations (partial cash payments to the donor, holding costs, broker fees, transfer taxes, closing costs, and the proration of property taxes) which are deducted from sale proceeds to produce the net proceeds (the charitable funds).

Can I donate a property with an existing mortgage?

Yes. Realty Gift Fund can use its resources to pay off existing debt based on an evaluation of the loan amount vs. the property’s true market value.



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Can I be paid some cash for the property and donate the rest as a charitable contribution?

Yes. You may tailor the size of the gift you are giving to Morris Animal Refuge and choose to keep a partial cash payment for yourself. If RGF pays any cash to you or on your behalf the cash portion is taxed, but the gift portion passes free of taxes.

Can I donate a property that needs a few repairs?

Yes. Realty Gift Fund can use its resources to make sensible repairs to properties to improve the market value and shorten the time to sell a property.

What do you need to know about my property?

Real estate is a major gift and we want to align our mission to your goals. A conversation with Morris Animal Refuge's Executive Director and Realty Gift Fund will help determine if this giving platform fits your needs. We will ask you for the property type, the amount of debt or other cash needs, the property address, your most recent property tax bill, and other characteristics that may define the property's market value.

For more information about Realty Gift Fund, feel free to contact Lewis Checchia or visit RGF's website, <https://realtygiffund.org/>.

Lewis Checchia, Executive Director

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