

Gift of Real Estate

...put your real estate to work for WSU.

Gift Planning at Washington State University

WHY GIVE REAL ESTATE TO SUPPORT WASHINGTON STATE UNIVERSITY?

Your real estate holdings open the door to unique giving opportunities. Many types of real estate holdings can be donated to Washington State University Foundation (WSUF) to support WSU. This may include your commercial real estate, personal residence, recreational property, rental properties or farm and ranch land. You can make a significant gift to benefit WSU while receiving income and estate tax benefits, and, in some cases, a lifetime income stream or a life estate to continue your occupancy of the real estate.

Is Giving Real Estate Right for You?

- Do you own appreciated real estate you are looking to sell or no longer want to manage or maintain?
- Do you want to reduce your investment in real estate by having the property sold by a tax-exempt organization or a tax-free charitable trust that provides an income stream for your lifetime based on the fair market value of the property?
- Do you want to transfer to WSUF responsibility for dealing with your real estate at the end of your life, while maintaining rights of ownership in the property for your lifetime?
- Do you own real estate that you would like to transfer to WSUF in a part sale/part gift transaction?

WAYS TO GIVE REAL ESTATE

Make a Gift Today (Outright Gift)

When you give real property you have owned longer than one year to support WSU, you obtain a charitable income tax deduction equal to the property's full fair market value. By donating the property to WSUF, you also avoid capital gains tax on its appreciation. Furthermore, the transfer is not subject to the gift tax, and the gift reduces your future taxable estate.

Include Us in Your Estate Plan

You can make a gift of real estate in your Will or Revocable Living Trust. Because you can change this during your lifetime, you will not be able to take an immediate income tax deduction – but the gift will be eligible for a charitable estate tax deduction at your death. Through your Will or Living Trust, you may also give another person lifetime use before ownership passes to WSUF. Or you can bequeath full title to an individual, if that person survives you, with WSUF as the recipient only if that person doesn't survive you. Another way to leave real estate is by a Transfer on Death (TOD) deed that transfers the property upon your passing.

Receive Income for the Rest of Your Life (Charitable Remainder Trust)

You can obtain an income stream for your lifetime by using real property to fund a Charitable Remainder Trust. Once the property has been transferred to the trust, the trustee can sell the property without any immediate capital gains tax, and invest the proceeds in a diversified portfolio, which becomes the source for income payments to you and/or any other recipient(s) you name for your lifetime(s), a period of years, or a combination of both. When the trust terminates, WSU, and possibly other charities of your choice, receive the remainder. You benefit from a charitable income tax deduction in the year you initially fund the trust, and the property is excluded from your taxable estate.

Give Your Home but Live There for Life (Retained Life Estate)

You can realize the advantages of making a current charitable gift (e.g., income tax deduction, gift credit, donor recognition, etc.) while retaining the right to live in your personal residence, recreational property, or farm and ranch land. If you desire for WSU to receive the property at your death or after a term

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When my husband Patrick, a journalist, loyal Cougar, and all-around adventurer, lost his battle against cancer, I decided to donate the property where we intended to build our vacation home. I was able to honor Patrick's memory while receiving an income tax deduction for the fair market value and avoiding capital gains had I sold the property. The proceeds created the Patrick Coolen Health Communications Entrepreneurs Endowment in the Murrow College of Communication.

– Phyllis Coolen



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of years, you can deed your property to WSUF now, subject to a life estate that allows you to live there for the balance of your life or term of years, and receive current tax benefits. Even though WSUF would not actually take possession of the property until after your lifetime or the term ends, you receive an immediate charitable income tax deduction for a portion of your property's value.

Make us a Deal (Bargain Sale)

In limited circumstances, WSUF will purchase property from you for less than its fair market value. The difference between the appraised value and the discounted sale price is considered a charitable gift. You will benefit from an income tax deduction as well as capital gains savings. This approach might be an option for you if you want to make a gift to support WSU, but also need to receive cash for other purposes.

Gift a Portion of Your Real Estate (Gift of an Undivided Interest)

A gift of an undivided interest in property is a great option for charitably-minded property owners who are preparing to sell a vacation home, or downsizing from a current home, or disposing of a commercial property and would like to receive a portion of the value back. Donors are allowed a charitable deduction for the appraised fair market value of the gifted undivided portion and only that portion retained is subject to capital gains taxation.

WSU Land Legacy Program

The WSU Land Legacy Program exists for donors who have requested WSU consider their property for long-term management, and in which anticipated production of crops, timber, grazing, etc. will produce a revenue stream that will adequately support a programs or scholarships at WSU. Additional information is available upon request outlining how the gift and property management process works with Land Legacy donations. Often these are given as outright gifts (during life or via an estate) or as retained life estates.

FIND OUT MORE

You may have questions about appraisals, tax benefits, and other details. You will also want to discuss which gift arrangement is best for you. The WSU Foundation Gift Planning Team is happy to assist you and your attorney and other advisors in designing the most suitable plan for you. Contact us at 800-448-2978.

This information is not intended to be interpreted or relied upon as legal, tax, or financial advice. The WSU Foundation does not engage in the marketing of services pertaining to individualized advice about estate distribution documents. Before entering into a planned gift with any charity, the donor should seek professional legal, tax, and financial advice. This information cannot be relied upon as professional advice adequate in scope and content to avoid the imposition of penalties under the Internal Revenue Code. Overall information about the WSU Foundation and its management policies for all types of gifts can be found at foundation.wsu.edu/about.

