

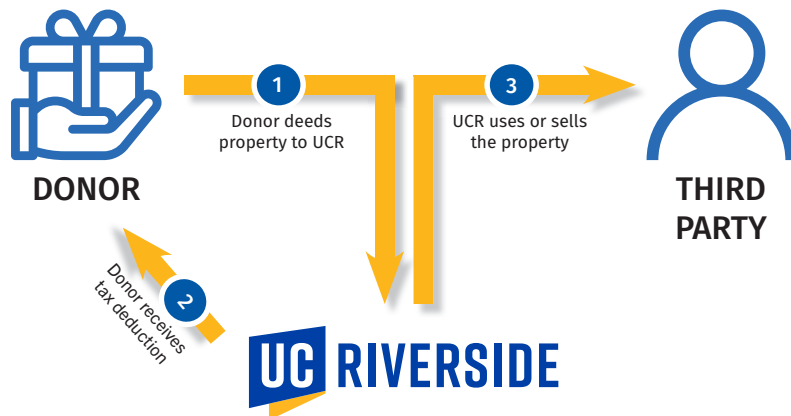


RIVERSIDE

Gift Planning

GIFTS OF REAL ESTATE

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A gift of real estate can make a big difference at UCR. Almost any type of real property can be used to support our mission, and there are a number of ways to effectively use the property to support a cause on campus that's important to you.

HOW TO MAKE A GIFT OF REAL ESTATE

Most types of real estate can be given to charity by signing or executing a deed transferring ownership. You can deed all you own and, in some cases, partial ownership of your real property toward impacting the future at UCR. Before executing a deed to gift your property, especially if ownership is jointly held or held in a business entity such as a limited partnership, please contact our Planned Giving team.

WHAT TYPES OF REAL ESTATE CAN YOU GIFT?

There are several types of real estate that can make an excellent gift toward impacting the future at UCR:

- » Personal residence or vacation home
- » Income-producing property such as rental home, vacation property, or commercial real estate
- » Undeveloped land, farm, and agricultural or ranch land
- » Land with significance, held to be protected or preserved

WHAT ABOUT TIMBER OR FARMLAND THAT WON'T PRODUCE INCOME FOR YEARS?

A FLIP unitrust holds the property and starts delivering payments to you once the property starts producing income. You can design the trust to make up "lost" earnings in future years.

DOES A REAL ESTATE GIFT MAKE SENSE FOR YOU?

BENEFITS OF A GIFT OF REAL ESTATE

There are a number of reasons why people make gifts of real estate to support the causes they care about. The benefits of making a gift of real estate include:

- » Supporting a cause important to you
- » Improving liquidity by eliminating expenses normally associated with property ownership
- » Receiving an income tax deduction based on the fair market value of the real estate
- » Avoiding capital gains tax that you would owe if you sold the real estate
- » Putting an end to other problems, such as tenant issues, that may arise with certain properties



The right strategy for you will depend on your personal circumstances, your goals, and the kind of real estate that you own.

OUTRIGHT GIFT

The simplest way to make a gift of real estate is to deed your property outright to UCR.

PARTIAL GIFT AND JOINT SALE

This is an excellent option if you need some cash from the sale of property, such as to pay off mortgage debt. This approach involves making a gift of an undivided interest in the property to UCR and then a joint sale of the property. You can avoid capital gains tax on the portion that UCR sells. In addition, you would receive a charitable income tax deduction based on the value of your gift. That deduction could partially, or fully, offset any capital gains taxes you would owe from selling your part of the property.

BARGAIN SALE

With this approach, you would sell the property to UCR for less than fair market value. Similar to the partial gift and joint sale approach, you can avoid capital gains on the difference between the property value and sales price and also receive a deduction for that amount. In addition, you receive cash proceeds from the sale.

CHARITABLE REMAINDER UNITRUST

With this strategy, you create a special trust and transfer the property to the trust. The trust can sell the real estate without paying capital gains tax and then invest the sales proceeds. The trust will pay you, or you and a loved one, income for life, after which UCR would utilize the remainder toward the support and benefit of our mission. You receive a deduction based on the amount that is given to charity.

RETAINED LIFE ESTATE

This strategy provides you with a current income tax deduction for making a future gift of your home, vacation home, farm, or ranch to UCR now, while allowing you the right to continue to use the property for the rest of your life.

DEFINITIONS

BARGAIN SALE

The sale of an asset to a charitable organization for a price that is less than the fair market value. The donor receives cash and is allowed to take a charitable income tax deduction for the difference between the fair market value and the cash amount received.

CHARITABLE REMAINDER TRUST

A tax-exempt, irrevocable trust that is funded by a charitable donation and which pays income to individual beneficiaries for life or a set number of years, after which the remaining trust assets are transferred to one or more designated charities.

RETAINED LIFE ESTATE

A charitable gift that involves the donor transferring their home, farm, or ranch to a charitable organization while reserving the right to live there for life. The donor receives a deduction based on the value transferred to the organization.

YOUR REAL ESTATE CAN WORK FOR YOU

Would you like to make a meaningful gift that makes an impact on the future of UC Riverside? Do you own real estate that you no longer want or need? A gift of real estate opens the door for you to be able to make that significant gift today.





UC RIVERSIDE | Gift Planning

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