



# GIFTS OF REAL ESTATE

Gifts of real estate may be made in various ways: outright, residual interest in the property, as a gift in a will, or to fund a charitable remainder trust. Or, the property may be sold by the donor and the proceeds donated. The benefits to considering a gift of real-estate are:

- They may make sense for individuals who have real-estate assets but may not have the cash flow to fund a charitable gift;
- They may be a way to offset capital gains taxes on properties that will generate a capital gain. For example, property that is not a principal residence may trigger a capital gain;
- They would qualify for a charitable tax receipt for the appraised fair market value of the property. This tax receipt issued will result in a tax credit on the donor's tax return, and may result in either a tax refund, or help to lower the total amount of income tax payable.

## DESIGNATION OF GIFT

With limited exceptions, gifts of property to the College will be sold. The proceeds of the sale, less any costs incurred by the College in undertaking the gift, will be directed toward the use agreed upon between the donor and the College.

The most important step in the process of making a gift of real-estate is deciding how the gift will be used once the College has received it. What will your legacy be?

Indeed, it is the College's preference to receive unrestricted gifts, which allows the President to allocate the gift to the area of greatest need on campus. As times change, so do the College's priority needs. Unrestricted gifts allow the College the greatest flexibility in meeting the most urgent needs.

Many individuals prefer to establish the intent of their gifts, rather than leaving the use open for the College to determine. When specifying intent, it is important to review your plan with the Advancement & External Relations Office to ensure that the College can meet your wishes when the time comes.

## THE IMPORTANCE OF GIFT AGREEMENTS

Whenever possible, the College prefers to establish written terms of reference or letters of intent to accompany the gift. These signed agreements ensure that all parties have clear directions as to how your gift will be used.

Sharing your plans with your family members allows them to share in the celebration of your legacy.

## COLLEGE GUIDELINES ON GIFTS OF REAL ESTATE

The following guidelines pertain to gifts of real estate in general. The College's Gift Acceptance Policies also apply. Where real estate is transferred to a charitable remainder trust, additional requirements of the trustee must be met.

### **Guidelines:**

- a) The donor shall secure a qualified appraisal of the property.
- b) A receipt will be issued for the appraised value (or present value of the residual interest computed on the appraised value, in the case of residual interest gifts). The College reserves the right to secure its own appraisal and issue a receipt based on it.
- c) The College shall determine if the donor has clear title to the property.
- d) In accordance with its Gift Acceptance Policies, the College shall review other factors, including zoning restrictions, marketability, current use and cash flow, to ascertain whether acceptance of the gift would be in the best interests of the College.
- e) The College shall conduct an environmental assessment, which may include an environmental audit, and accept the property only if:
  1. it contains no toxic substances; or,
  2. they are removed or other remedies taken assuring the College assumes no liability whatsoever.



Founded in 1997, the Foundation is a non-profit charitable organization registered with Canada Revenue Agency and provides charitable tax receipts.

For more information on leaving a legacy and the Foundation's Planned Giving Program, please contact Beth Proven at (204) 223-5708.

Email: [provenb2@assiniboine.net](mailto:provenb2@assiniboine.net)

[assiniboine.net/foundation](http://assiniboine.net/foundation)