## REAL ESTATE GIFT **Retained Life Estate**

## Stay in Your Home or on Your Farm-and Leave a Legacy

Since real estate makes up more than one-third of many families' total assets, it's natural to consider these holdings in any long-term philanthropic planning. Perhaps the home in which you want to keep living (or another residence or farm property you'd like to keep using) is also the asset you've decided to eventually donate to Dartmouth-Hitchcock or the Geisel School of Medicine. While you could bequeath the property through your will, there's no immediate tax benefit. Instead, through a more creative arrangement, you can take a tax deduction now, retain use of the property as long as you wish, and make a real impact with your gift when you're ready to move.



## How It Works

A retained life estate allows a family to deed

its property to Dartmouth-Hitchcock or the Geisel School—and realize an immediate income tax deduction—while continuing to use and occupy it. When the property is no longer needed, it passes to the charity, which sells it and applies the funds as you have directed. Best of all, life at home remains unchanged but with added security about future disposition of the real estate and the profound impact the gift will have on people's lives.

## **Benefits**

- Take comfort that the home or farm is yours to enjoy as long as you wish.
- Generate an immediate income tax deduction based on your ages and a portion of the property's appraised value.
- Remove the future burden on your family to sell the property.
- Rest assured that your charitable goals at Dartmouth-Hitchcock or the Geisel School will be fulfilled.

Learn more: Contact Rick Peck in the Office of Gift Planning, or visit giving dartmouth-hitchcock.org.



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# REAL ESTATE GIFT to Fund a Charitable Remainder Unitrust

## Convert Your Real Estate into Income – and Leave a Legacy

Perhaps you've decided to make an impact with a gift to Dartmouth-Hitchcock or the Geisel School of Medicine. A piece of real estate is the asset you'd like to use. But you'd also like to generate income for you and/or others. Good news, there's a way to do both—and capture substantial tax benefits as well

## How It Works

You donate your real estate to a charitable trust, a separate tax-exempt entity. As trustee, Dartmouth-Hitchcock or the Geisel School sells the property, invests the proceeds, and starts to pay income to the beneficiaries you've named. At trust termination (when the



beneficiaries have died or after a set term of years), the remaining trust value goes to work where you wanted: at Dartmouth-Hitchcock or the Geisel School of Medicine.

## **Benefits**

## • Generate an ongoing stream of income.

Just let the trust sell your property and invest the proceeds for growth. That triggers the beneficiary payments at the agreed-upon rate. As a hedge against inflation, the annual payments are pinned to the trust's overall investment performance.

## Enjoy tax benefits.

In the year you make the gift, you receive a charitable tax deduction which can be carried forward for up to five more years. You also avoid any capital gains taxes that would have been paid had you sold the property on your own. Ask your accountant and advisors. You may find the tax benefits from your philanthropy, combined with your future trust payments, makes this an affordable but powerful gift.

## Realize your desire to make a difference.

Maybe it's the little-used vacation home, undeveloped land, or you're just ready to downsize. Use the real estate to fund a charitable remainder trust and preserve cash and securities for your other priorities.

Learn more: Contact Rick Peck in the Office of Gift Planning, or visit giving.dartmouth-hitchcock.org.



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"Rensselaer is using our land to fund a scholarship and to pay us an income every quarter."





# A good gift to Vassar? In deed! Whether it's "downsizing" fr vacation house, or unloading

The next time you're preparing to list a property for sale, consider deeding a percentage to Vassar.

It's a painless way to make a gift and reduce your taxes as well. Whether it's "downsizing" from your current home, selling your vacation house, or unloading commercial property that has become too cumbersome to manage, you may be facing a decision about how and when to dispose of your real estate holdings. You may not be aware, however, that this can be an opportunity to incorporate your charitable giving into your plans. Just prior to arranging a sale, it is possible to deed, for example, a 25% interest to Vassar. When the property is sold, the College would receive 25% of the net proceeds – and a portion of the capital gains tax you might otherwise have to pay could be avoided.

If you would like to learn more about this and other real estate gift arrangements, please contact Danielle in the Gift Planning Office by calling (845) 437-5487 or e-mailing dasuter@vassar.edu.

# Do You Own Property?



## Turning Their Deed Into a Good Deed

Donors: Hedda and Xavier Brock, AA'48

Gift: The Brocks donated their home of more than 50 years to GW through a Retained Life Estate.

**Benefits:** The Brocks received a charitable tax deduction for a large portion of their home's value, avoided capital gains tax on the appreciation, and the property is excluded from their taxable estate - all while they continue to live in their home as long as they'd like.

Why GW: "Xavier received a wonderful education at GW. We have been giving to the University for years and we trust that GW can handle this gift and put it to great use." - Hedda Brock

- Do you have property that is a burden to manage?
  Do you own property you don't use anymore?
- If you sell a property, will you owe significant taxes?

If so, The George Washington University can help. By donating real estate to GW, you can achieve peace of mind, create a lasting legacy, and receive financial benefits for yourself or someone else.

#### What's in it for you?

Depending on the nature of your gift and your objectives, you could:

- Avoid capital gains taxes on appreciated property
- Eliminate the burden of maintaining and paying for the property
- · Provide yourself with an annual income
- Continue to use the property for the remainder of your life
- Reduce your estate and income taxes
- Help the GW School or initiative of your choice

For more information, please return the coupon on the back cover or contact Chase Magnuson in GW's Office of Planned Giving.



For more information, please contact: Chase Magnuson, Director of Planned Giving for Real Estate 202-994-4979 or chasem@gwu.edu or visit www.gwu.edu/give/waystogive/plannedgifts

UIL GEORGE WASHINGTON UNIVERSITY The George Washington University Office of Planned Giving – Real Estate 2100 M Street, NW, Suite 310 Washington, DC 20037



# Real Estate Gifts

## Use the Value of Your Real Estate to Leave a Legacy

Many people find that their home is among the most valuable assets they own. So why not consider using the value of your home—or other real estate—to do good? There are several ways you can make a gift of real estate to support Dartmouth-Hitchcock or the Geisel School of Medicine.

Give property through your will. Giving real estate through a charitable bequest provides an estate tax deduction and supports our good work long after you're gone.

Give the property directly to Dartmouth-Hitchcock or the Geisel School. In addition to supporting an organization that's important to you, an outright gift of real estate may offer attractive financial benefits. For example, in addition to receiving an income tax charitable deduction for the value of the property, you can benefit by eliminating capital gains tax on any appreciation in the property's value since you acquired it.

Consider a bargain sale. This is part gift, part sale, meaning you sell the property to Dartmouth-Hitchcock or the Geisel School for less than its current value. This entitles you to a charitable income tax deduction based on the value of the gift portion, reduces your capital gains taxes, and provides you with cash from the sale.

Donate your home but keep living in it. Through what is called a retained life estate, you give your home to Dartmouth-Hitchcock or the Geisel School, but retain the right to use and occupy it during your life (and that of your spouse if you wish). You receive an immediate income tax deduction for a portion of your home's value.

If you're considering a gift of real estate—whether your home, a vacation home, farm, or land—consult with us about how title is held, existing mortgages, and liens so these issues don't interrupt your intended gift.

Learn more: Contact Rick Peck in the Office of Gift Planning, or visit giving.dartmouth-hitchcock.org.



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# INNER CIRCLE



ESTATE AND GIFT PLANNING INFORMATION FOR DEERFIELD ALUMNI/AE AND FRIENDS

We would like to help you craft a plan to meet your charitable and financial objectives.



# Are you facing decisions about real estate you've owned for some time?

by Dennis Bidwell

Any families come to realize that property held for a number of years—a second home, a ski condominium, an inherited farm, an investment property or maybe the primary residence itself—has become, regrettably, more burdensome and expensive to own and manage than it is enjoyable. When this time comes, there is always the option of selling the property, incurring what can be a substantial capital gains tax, and reinvesting the proceeds that remain.

But there is also a variety of more creative property disposition solutions that have a charitable benefit. The Planned Giving Office at Deerfield Academy has professionals with experience in working with families and individuals to develop alternative real estate solutions—solutions that combine a major gift to the Academy with attention to tax planning and retirement objectives.

During these challenging times, many alumni of the Academy would like to proceed with long-discussed gifts, but find themselves in a position where cash is short and securities aren't as highly appreciated as they once were. In such situations, some alumni may be able to use a piece of real estate to address their charitable objectives.

In other instances, alumni may have decided that it's time to dispose of a real estate holding, but they don't look forward to the process of listing and selling the property in a volatile real estate market. For such alumni, a gift of the property to Deerfield Academy would mean the Academy would be responsible for listing and selling the property, with the donor being entitled to a charitable tax deduction equal to the fair market value of the property as determined by a qualified appraisal.

Whatever the combination of charitable objectives, tax planning needs, life style changes and retirement-income needs facing you, Deerfield's Planned Giving Office can work with you to address them in crafting a real estate disposition solution.

Dennis Bidwell is principal of Bidwell Advisors, which advises Deerfield Academy and other non-profits on real estate gifts.

## CONSIDER A GIFT OF REAL ESTATE

## 3 QUESTIONS FOR DENNIS BIDWELL

Dennis Bidwell, MBA, runs Bidwell Advisors, a consulting firm that advises families and non-profit clients on the ins and outs of charitable gifts of real estate. Dennis, a Dartmouth College graduate, lives in Northampton, Massachusetts, and is a frequent visitor to Hanover.



## Q: Who do you see making gifts of real estate to charities these days?

A: Ninety percent of the real estate gifts I see are made by individuals or couples who are 70 or older, who own two or more pieces of real estate (often a primary residence and a little-used vacation home), and who have already provided for their children in their estate planning. These people are often motivated by a desire to unburden themselves of a property that has become more hassle and expense than enjoyment.

# Q: How complex is the process of making a real estate gift?

A: When a donor is working with an organization—like Dartmouth-Hitchcock or the Geisel School of Medicinethat has carefully thought through what real estate gifts they will and won't accept and have clear procedures, it's not difficult at all. Such organizations find ways to be extraordinarily helpful to donors throughout the process while being careful to accept only real estate gifts that can be converted to meaningful philonthropic support.

## Q: Are tax benefits an important factor to people considering a donation of real estate?

A: Most real estate donors are motivated more by a desire to make a gift to a charity and to simplify their lives than by the tax benefits of a gift. But for many, the ability to avoid the capital gains taxes that would come with a sale and the ability to claim a charitable tax deduction based on the appraised value of the property (subject to limitations) are equally important factors.

## Giving After Your Lifetime

Making a gift through your will-known as a bequest-can be as simple as adding a sentence or two. And it's flexible.

- Your gift can be of any size. You can specify a fixed dollar amount or a percentage of your estate.
- You don't give up assets you might need during your lifetime, and you can change your plans at any time.
- You may make your gift in honor of a family member or friend.
- We will gladly provide you with sample language to include in your will. Just contact us and we will send you what you need.
- Your gift can be unrestricted, meaning it will support the institution's needs and priorities at the time it is received. Or you may direct your gift to a specific purpose.

**WANT TO LEARN MORE?** Contact Cyndi Scott at (603) 653-0766 or Cynthia.M.Scott@Dartmouth.edu Or visit us online at dh.planmygift.org or geisel.planmygift.org



# GIFTS OF REAL ESTATE Q&A

- Can I gift it to Colgate?
- Yes. But understand that Colgate carefully evaluates every real estate gift.
- A. Yes. But understand that opportunity case-by-case.
- **Q**. I heard I can gift my home or vacation home, retain the right to live in it, and realize income-tax savings.
- You heard right. This is called a retained life estate, and if you are 70 or older, it 4
- could be a potential win-win for you and Colgate (see www.colgate.plannedgifts. org/give\_assets\_re\_retained.html for details). In addition, greater tax advantages exist for retained life estates when interest rates are low.
- How do I get started?
- A. Contact Andrew Coddington, director of planned giving, directly, or go to www.colgate.plannedgifts.org/gift\_data\_sheet.php\_to\_describe\_the\_property
- www.colgate.plannedgifts.org/gift\_data\_sheet.php to describe the property in question. Colgate will confidentially review the information to begin evaluating the property as a potential gift and then contact you directly regarding next steps. (Restrictions apply.)

www.colgate.plannedgitts.org/archive\_2008\_10.html to learn more! Don't miss the opportunity to make a tax-free rollover to Colgate from your IRA. Call us at 800-813-1819 or visit



The Campaign for Colgate

COLGATE UNIVERSITY Office of Planned Giving Hamilton, New York 13346-1398

Nonprofit Org. U.S. Postage PAID Indianapolis, IN Permit No. 8478 GORDON AND CAROLYN MARSHALL used a former summer property to fund a gift through their estate plans.

# Opportunity Knocks: Real Estate Gifts

## QUICK LOOK:

- What: An outright and irrevocable gift of property to Dartmouth-Hitchcock or the Geisel School of Medicine
- Who: Anyone who owns property, including a home, vacation home, farm, or land
- **Why:** To support the future of Dartmouth-Hitchcock or the Geisel School of Medicine, and to enjoy potential tax benefits
- **How:** Choose one of a number of options to meet your personal short- and long-term needs

*III* Dartmouth-Hitchcock



## LEAVE A LEGACY Using the Value of Your Real Estate

There are several ways you can make a gift of real estate to support Dartmouth-Hitchcock or the Geisel School of Medicine.

- Give the property through your will. A bequest provides an estate tax deduction and supports Dartmouth-Hitchcock or the Geisel School after you're gone.
- 2. Consider a bargain sale. This is part gift, part sale, meaning you sell the property to us for less than its current value. This entitles you to a charitable income tax deduction based on the value of the gift portion, reduces your capital gains taxes, and provides you with cash from the sale.
- **3.** Donate your home, but keep living in it. You give your home to Dartmouth-Hitchcock or the Geisel School but retain the right to occupy it during your life. You receive an immediate income tax deduction for a portion of your home's value.
- Learn more: giving.dartmouth-hitchcock.org dmsnet.org/giftplanning Contact us: geisel.gift.planning@dartmouth.edu 866-272-1955





Office of Gift Planning (HB 7070) Dartmouth-Hitchcock Medical Center One Medical Center Drive Lebanon, NH 03756-0001

