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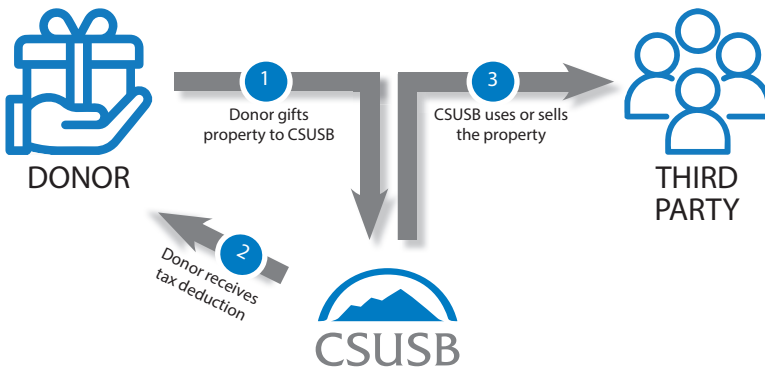
**GIFTS OF
REAL ESTATE**
GIFT GUIDE



CALIFORNIA STATE UNIVERSITY
SAN BERNARDINO

Planned Giving

GIFTS OF REAL ESTATE



A gift of real estate can make a big difference at CSUSB. Almost any type of property can be used to make an impact on our university, and there are a number of ways to effectively use the property to accomplish your own goals while supporting a cause on campus that's important to you.

HOW TO MAKE A GIFT OF REAL ESTATE

Most types of real estate can be gifted to a charitable organization by signing or executing a deed transferring ownership. You can deed all you own and, in some cases, partial ownership of your property toward helping to **transform tomorrow** at CSUSB. 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 Office of Planned Giving.

WHAT TYPES OF REAL ESTATE CAN YOU GIFT?

There are several types of real estate that you can utilize to create an excellent gift toward creating your legacy at CSUSB:

- » Personal residence or vacation home
- » Income-producing property such as a 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.

STRATEGIES FOR GIFTS OF REAL ESTATE

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

OUTRIGHT GIFT

The most simple way to make a gift of real estate is to deed your property outright to CSUSB. When you make a gift of real estate you have owned longer than one year, you qualify for a federal income tax charitable deduction equal to the property's full fair market value. This deduction essentially reduces the cost of making the gift and frees cash that otherwise would have been used to pay taxes. By gifting the property to CSUSB, you also eliminate capital gains tax on its appreciation.

A GIFT IN YOUR WILL OR LIVING TRUST

A gift of real estate through your will or living trust allows you the flexibility to change your mind and the potential to support CSUSB with a larger gift than you could during your lifetime. In as little as a sentence or two, you can ensure that your impact on the university continues after your lifetime.

PARTIAL GIFT AND JOINT SALE

This is an excellent option if you need 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 CSUSB and then a joint sale of the property. You can avoid capital gains tax on the portion that CSUSB 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 CSUSB 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 transfer the property to a special trust that you create. The trust can sell the real estate without paying capital gains tax and then invest the sale proceeds. The trust will pay you, or you and a loved one, income for life or a term of up to 20 years, after which CSUSB would utilize the remainder toward the support and benefit of the future of the university. You receive a deduction based on the amount that is given to CSUSB. Your estate planning attorney, who will draft your trust, can give you more details.

ADDITIONAL STRATEGIES

CHARITABLE LEAD TRUST

This gift can be a wonderful way for you to benefit CSUSB and simultaneously transfer appreciated real estate to your family tax-free. You should consider funding the charitable lead trust with real estate that is income-producing and expected to increase in value over the term of the trust.

DEFERRED CHARITABLE GIFT ANNUITY

You can gift property to CSUSB in exchange for reliable payments for life for you (and someone else, if you choose). When you create a charitable gift annuity, you receive a federal income tax charitable deduction in the year you set up the annuity when you itemize on your taxes. If you use appreciated real estate to make the gift, you can usually eliminate capital gains tax on a portion of the gift and spread the rest of the gain over your life expectancy. A gift of unmortgaged property to fund a deferred gift annuity typically generates the greatest tax benefit.

DONOR ADVISED FUND

When you transfer real estate to your donor advised fund, you avoid capital gains taxes and qualify for a federal income tax deduction based on the fair market value of the property when you itemize on your taxes.

RETAINED LIFE ESTATE

You can transfer your personal residence or farm to CSUSB but keep the right to occupy (or rent out) the home for the rest of your life. You continue to pay real estate taxes, maintenance fees, and insurance on the property. Even though CSUSB would not actually take possession of the residence until after your lifetime, you qualify for a federal income tax charitable deduction for a portion of your home's value.

ENDOWED GIFT

When you make an endowed gift of real estate, your contribution is invested with and becomes part of our endowment. An annual distribution is made for the purpose you designate. Because the principal remains intact, the fund will generate support for CSUSB in perpetuity.

IS A GIFT OF REAL ESTATE RIGHT 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 or organization 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.

ONE GIFT, A LIFETIME INVESTMENT.

Make your real estate work for you.

Would you like to make a meaningful gift that helps to **transform tomorrow** at Cal State San Bernardino? 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*. Contact our Office of Planned Giving to learn more.






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