

GIFTS OF REAL ESTATE

SELF-REALIZATION FELLOWSHIP
PLANNED GIVING PROGRAM



Self-Realization Fellowship

FOUNDED 1920

Paravahusa Yogavanda

GIFTS OF REAL ESTATE

A gift of real estate to Self-Realization Fellowship (SRF) can provide a major benefit to SRF and substantial tax advantages to you.

Gifts of real estate may consist of a variety of types of property, including primary residences, vacation or second homes, condominiums, undeveloped land, rental property, apartment buildings, commercial buildings, farms, ranches, forest land, and mineral rights. The gift can be the entire property or an undivided interest in the property (for example, 25%). The property should, however, be unencumbered as mortgaged property can pose practical problems for SRF and might result in adverse tax consequences for you.

WAYS OF DONATING REAL ESTATE, AND TAX BENEFITS

There are a number of ways of donating property. You can make an outright gift, a gift with retained life estate, a life income gift, or a testamentary gift by will or trust, as explained more fully below. Individual financial needs and goals determine which of these methods of giving real estate is most appropriate for you.

1. OUTRIGHT GIFT

You can make an outright donation by deeding your property to SRF. As long as you have held the property for more than a year at the time of your gift, you will receive a federal income tax deduction equal to the fair market value of your property on the date it is transferred to SRF. You will also avoid the capital gains tax on any appreciation on the donated property as long as you transfer the property to SRF before the property is sold.

2. RETAINED LIFE INCOME

You can transfer appreciated real estate into a charitable remainder trust. Once inside the trust, the trustee can sell the property and reinvest the proceeds to generate income for distribution to you or one or more beneficiaries you designate during the term of the trust (for your life or the life of one or more beneficiaries, or for a term of years not to exceed twenty). The income paid to you or your beneficiaries will depend on a number of factors, including the net proceeds realized on the sale of the property, the age and number of life income beneficiaries, and the agreed upon payout rate. Upon the expiration of the trust term, the remaining trust assets will pass to SRF.

The federal tax benefits to you include an immediate income tax deduction in the year of the transfer based on the fair market value of the property, elimination of capital gains tax on the appreciation, and estate tax savings due to the removal of your property from your estate.

Please refer to our brochure on “Charitable Remainder Trust” for a full description on this type of planned gift to SRF.

3. RETAINED LIFE ESTATE

You can donate your home, vacation home, or farm to SRF while retaining the right to live in it for the rest of your life (and your spouse's life) or for a term of years. Your donation will qualify for a federal income tax deduction, up to 30 percent of your adjusted gross income. You may take unused deductions over the next five years.

While you retain the right to live on your property, you continue to be responsible for all routine expenses, including maintenance fees, insurance, property taxes, repairs, etc. If you later decide to vacate your property, you may rent the property to someone else, or sell the property in cooperation with SRF.

Please refer to our brochure on "Retained Life Estate" for a full description of this type of planned gift to SRF.

4. TESTAMENTARY GIFT BY WILL OR TRUST

Perhaps the simplest way for you to donate property to SRF is to designate SRF as the beneficiary of your property in your will or revocable trust. The tax benefit is a federal charitable estate tax deduction to your estate for the gift of property to SRF.

REAL ESTATE ACCEPTANCE PROCEDURES

All donations of real property to SRF are subject to acceptance by SRF. SRF has in place real property acceptance procedures to guide the organization in the review and acceptance of real property offered to us to ensure that the property has clear title and complies with environmental laws. If you are considering donating property to SRF, please contact the Office of Planned Giving and we will be happy to review the property acceptance process with you.

DISPOSITION OF DONATED PROPERTIES

It is a general policy of SRF to sell donated properties we receive unless we have a specific use for the property. Based on this policy, SRF generally will not accept any property subject to a no sale or specific use condition.

QUALIFIED APPRAISAL

To substantiate the value for a gift of property worth more than \$5,000, the Internal Revenue Service requires you to submit a qualified appraisal with your income tax return for the taxable year of your gift.

ADDITIONAL INFORMATION

The Office of Planned Giving is available to provide you with detailed information and consult with you or your advisor concerning any of the gift options presented here. For more information, please contact:

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