



Evaluating Gifts of Real Estate

One of the primary considerations in acceptance of real estate is the property's value relative to its marketability.

- ✓ Donors considering a gift of real estate must not have entered into a prior written sales agreement with a purchaser.
- ✓ The property must be free of environmental liability and readily marketable (able to be sold within six months in a strong market or 12 months if the value of the real estate is significant and as such would be expected to require additional time.)
- ✓ Gifts of real property should result in a gift to Innovia Foundation (Innovia) of a minimum of \$100,000 if the property is in Washington or Idaho and \$250,000 if out of state. The sale proceeds can be applied toward one or more endowed funds. (See Types of Funds.) Up to 50% of the gift proceeds can be made available to spend immediately for charitable grants through a pass-through fund.

Real estate is often transferred into a charitable remainder trust (CRUT) to be sold. The trust can then provide the donor income for life. (Please request an illustration of tax benefits and payout based on your age.)

Disclosure Statement

1. The Donor covers the costs of making a gift of real estate including, but not limited to, a qualified appraisal and a Phase One Environmental Report.
2. Costs relating to acceptance and liquidation of a real estate gift not covered by the Donor will be paid from the Fund or Charitable Remainder Trust. These may include, but are not limited to association fees, documentary stamps, surveys (plats), mortgage assumption fees, termite inspections, structural inspection of building, inspections of utilities, commissions, appraisal fees, title work, closing costs, legal fees, property taxes, insurance, environmental assessments and maintenance cost.
3. Innovia requires a minimum period of 90 days to evaluate a potential gift of real estate.
4. At the time of the gift, the Donor may be asked to make certain representations about the property relating to title, use, contractual agreements, wells, or other matters.
5. If there are concerns regarding zoning, environmental contamination or other factors, real estate gifts must receive Level III review and approval.
6. **IRS Form 8282** - If Innovia sells property within 3 years of receiving the property, Innovia completes and files IRS Form 8282 and provides a copy to the Donor for their tax advisor.

Initial Questions for the Donor:

Property address: _____

Legal name of property owner(s) _____

Federal identification (or social security) number _____

LEVEL I:

1. What type of gift is contemplated?
 - Outright gift to Innovia?
 - Gift of undivided interest to Innovia?
 - Gift to charitable remainder trust?
 - Specify Fund(s) to receive gift or trust remainder: _____
2. Is the property located in Washington? Idaho? Elsewhere in the United States?
3. What is the prior use of the property, e.g., residential, commercial, etc.?
4. If it was used differently in the past, how was it used?
5. Disclosure of any storage tanks, wells, or potential environmental factors affecting the property.
6. What buildings or other structures are on the property?
7. Are there any proposed special assessments, condemnations, or zoning changes?
8. Are there any problems concerning water damage, mold, asbestos, lead paint, radon, structural damage, pests, or sewer or septic systems?
9. Is the property in a flood plain?
10. Is the property marketable within six months to one year? Has the property been listed for sale previously? If so, for how long was it listed, with whom, and at what price? Whenever practicable, arrangements will be made to have a realtor analyze the property to evaluate the existence of a market for such property. Innovia’s President may request that the donor provide such an evaluation from a realtor acceptable to the President.
11. Is the net value of the property (after costs of sale, holding, improving if necessary) at least \$100,000?
12. What is the estimated net cost of holding the property for six months? (Itemize on separate sheet.)
13. Is the donor willing to cover the costs of investigation and evaluation of the property, including an appraisal, Phase One Environmental Report, title insurance, survey (for nonresidential property)?
14. Will the donor’s spouse, if any, join in the gift?
15. If the donor is not an individual, has the proposed gift received the requisite approval of the donor’s governing body?
16. Is the property subject to any mortgages, liens, or other encumbrances? If so, does the donor intend to pay off or secure the release of the mortgages, liens or encumbrances prior to the gift?
17. Are you aware of any other information concerning any part of the land or buildings that might affect the decision of a buyer or affect value of property or affect use by buyer?

LEVEL II - If LEVEL I information is acceptable, the following information is to be provided by donor.

1. Location and legal description of property, (copy of deed) building or other structures on the land.
2. Type of property (residential, commercial, improved, unimproved).
3. Current zoning of the property.
4. Please indicate any impending zoning changes, if known.
5. Current owners of record.
6. Donor's length of ownership of the property.
7. Type of ownership of property (joint tenant, tenant in common, general partnership, limited partnership, community property).
8. Please indicate if ownership includes mineral rights, water rights, etc.
9. Information regarding existing zoning status, information on all ingress/egress for the property or other limitations on the use or sale of property.
10. Is the property subject to any restrictive easements or covenants?
11. Has the property been the subject of any regulatory designations (i.e. Wetland, green acres, flood hazard area, etc.)? If so, please indicate.
12. Any threatened or pending litigation regarding the property.
13. Any levied or pending special assessments?
14. Is subdivision required in order to convey the property?
15. An estimated value for property. If a recent appraisal is available, please provide.
16. The annual property taxes and the status of the current year's taxes.
17. Please provide a copy of the most recent property tax bill, if available.
18. Any fees associated with the property (homeowners association, condo fees, sewer/water or other operating costs).
19. If there are any mortgages, please provide information on debt service and principal outstanding.
20. If the property is income producing, please provide a current operating statement.
21. If a Phase One environmental report has been received, please provide.
22. Please provide information within your knowledge regarding any contamination on or within a one mile radius of the property.
23. Please provide information on any matter known to you that might affect the value and marketability of the property.
24. Discussion with proposed donor
25. Please provide an estimate of how long it would take to sell the property.

LEVEL III - A full professional assessment is required if there are concerns regarding zoning, environmental contamination or other factors.