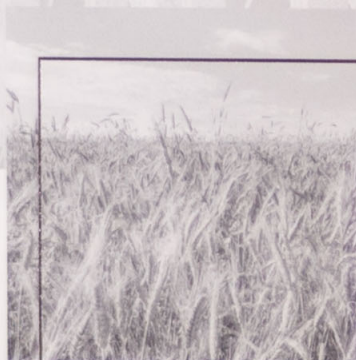




A gift of property can fulfill your philanthropic and financial goals while supporting students, programs, and research at ASU. At the same time, you may enjoy substantial tax savings and, in some cases, income for your lifetime.





Alternatives for Giving Real Estate:

## 1. Outright Gift

Enjoy Less Responsibility  
Donate property and live carefree

You can make an outright gift of your residence, rental, commercial property, or undeveloped land.

Among possible requirements, you must have owned the property for more than one year. Your property's ownership may be partially or fully donated by executing and recording a deed listing the ASU Foundation as its new owner.

The advantages of making a gift of property outright may include:

- Eliminates or reduces capital gains tax on property's appreciation
- Relieves the responsibilities of property ownership
- Provides immediate charitable income tax deduction







Alternatives for Giving Real Estate:

## 1. Outright Gift

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### Case Study

Janet purchased her home years ago, paid off the mortgage, and has watched it grow steadily in value. Still active in her career and traveling frequently, she's beginning to find home ownership more of a hassle. At this stage of her life, Janet has decided to move to a 55+ condominium development, where all exterior maintenance is provided and she doesn't have to worry about security issues. Janet sees this as an opportunity to give her existing house to ASU at a certain price and time, saving in marketing costs, while realizing valuable tax benefits.

Janet qualifies for a federal income tax charitable deduction of \$250,000 for her home's fair market value today. She is able to claim 30 percent of her \$200,000 adjusted gross income, or \$60,000, in the year of the gift. In the five years following, she can continue to use up the remaining \$190,000 tax deduction. Janet is happy in her new condo and new carefree life. She loves knowing that the gift of her house will make a big difference supporting ASU's mission.



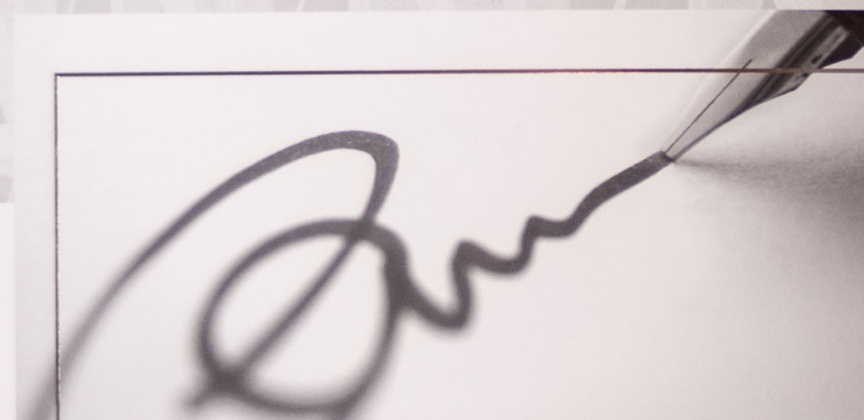
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Alternatives for Giving Real Estate:

## 2. Gift through Will or Living Trust



Apply Strategies to Reduce Your Estate Taxes  
Donate property through your will

Giving property through a will or living trust requires a written agreement which states that your property will be donated to the ASU Foundation *after* your death.

This type of gift:

- Is simple to execute.
- May reduce the estate taxes and provide more for your heirs.







Alternatives for Giving Real Estate:

## 2. Gift through Will or Living Trust

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### Case Study

In addition to running a successful architectural practice, Mitchell, an ASU design school and architectural studies alumnus, owns and manages a commercial office property in downtown Phoenix. Mitchell has three grown children that he does not want to burden with the long-term management of this property. He has other assets that he plans to leave to his children. Instead, he has bequeathed the office building property to the ASU Foundation through his living trust.

At the time of his death, the property will be transferred to the ASU Foundation. The net proceeds from the sale of the property or the net income from leasing the property will be used to fund an endowment at the Herberger Institute for Design and the Arts, as Mitchell directed.



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Alternatives for Giving Real Estate:

### 3. Retained Life Estate

A Gift You Can Call Home  
Live in your home

When you establish a retained life estate, you transfer your real estate property to the ASU Foundation, but you continue to live in it for your lifetime or for a period of years.

This type of gift:

- May provide you with an immediate charitable income tax deduction.
- May reduce estate taxes.







Alternatives for Giving Real Estate:

### 3. Retained Life Estate

### Case Study

Joe, 72, bought his house for \$100,000 a few decades ago and has since paid off the mortgage. The house is now worth \$600,000. Joe decides to transfer his home ownership to the ASU Foundation, while retaining the right to live there, rent free, for the rest of his lifetime.

Joe is entitled to an income tax deduction for a portion of the value of the home in the year he transfers title to the ASU Foundation.







Alternatives for Giving Real Estate:

## 4. Charitable Gift Annuity

A Gift that Gives Back  
Receive payments for life and support ASU

You can donate your property to the ASU Foundation in exchange for reliable payments for the rest of your life. This is referred to as a charitable gift annuity.

Your real estate is transferred to the ASU Foundation in exchange for lifetime fixed payments paid to you. Upon your death, your payments stop and any remaining value in your annuity benefits ASU.

The advantages of gift annuity include:

- An income tax charitable deduction in the year the gift is made
- May provide you with fixed payments for your lifetime
- May result in a reduction gains tax







Alternatives for Giving Real Estate:

## 4. Charitable Gift Annuity

### Case Study

Justin, 66, and Mary, 75, want to make an unrestricted gift to support ASU, but they also want to supplement their retirement income. They have decided to donate their family's 200 acre farm in Pinal County recently appraised at \$1.2 million in exchange for a charitable gift annuity. They purchased the farm many years ago for \$250,000. Based on their ages they will receive a payment rate of 4.3 percentage or \$51,600 each year for their combined lifetime. A portion of every payment is tax free for 24.5 years and the amount of capital gains tax not attributed to the gift is spread out over their lifetime as well. The donors are also entitled to an income tax charitable deduction of \$305,760\* in the year the gift is completed—plus five additional years in which to use the deduction.

\*Based on 2.2 percent midterm federal rate.







## Contact us to learn more about your real estate and gift planning.

The ASU Foundation gift planning team is ready to help you or your financial advisor to determine what to give and how your gift can benefit you and your loved ones by realizing your financial, estate planning, tax, retirement income, and philanthropic goals.

For more information, please contact our representative for estate gift planning.

**ASU** Foundation  
for a new american university  
ARIZONA STATE UNIVERSITY

