



**GIVING
PROPERTY**

Powered by CARS



**Raise more funds with a
Real Estate Donation Program.
Call 844-277-HOME to learn more.**

[GivingProperty.org](https://givingproperty.org)

Giving Property is powered by CARS (Charitable Adult Rides & Services), a 501(c)(3) nonprofit.

Giving Property Real Estate Donation Program Overview



We recently partnered with a company that has a decade of experience running nonprofit real estate auctions. This allows us to expand the fundraising services we offer our nonprofit partners.

Most nonprofits are unable to accept real estate donations due to the liability and complexity of managing donated properties. Our new fundraising program shields the nonprofit from liability of ownership and provides quick cash liquidity for the donor's gift.

Consider this another service for your supporters! If they have a real estate asset that is costing them money or not being utilized, donating is an easy way for them to let go and give to you. They could also claim a significant tax deduction. The program will even pay off all loans, liens, or commissions owned and pay all closing costs.

With the Giving Property Real Estate Donation Program, you can accept any type of real estate property that has positive equity, a clear title, and no environmental issues.*

You can accept all types of real estate donations:



Residential Properties

Houses, Townhomes,
Condominiums,
Apartments,
Manufactured



Farms and Ranches

Agricultural,
Recreational,
Undeveloped Land



Commercial Properties

Industrial, Rental
Properties,
Hotel/Motel, Retail



Land

Lots/Land/Parcels

*We do not accept burial plots or timeshares. CARS will consider properties that have net positive value. In most cases, this includes residential properties and land valued over \$10,000 or commercial properties over \$50,000.

How Your Real Estate Donation Program Works

Donors will donate for a variety of reasons ranging from life-changing circumstances to reducing real estate holdings and/or tax liability. Whatever their reason, your program makes donating easy.

Real Estate Donation Example



Step 1 - Submit Donation Information: Your supporters can donate online through your real estate donation page or by phone using the toll-free number (provided with your program). To give, donors first submit their asset for consideration by completing a Donation Information Form with basic property information, current loan amount and a brief description. From there, our specialized call center works with the donor to submit a Letter of Intent outlining the donation terms. These usually include closing date, process timeline, and any cash to donor/seller at closing. Donors do not have to donate 100% of their equity, which is a flexibility many appreciate.

Step 2 - Evaluate: CARS handles the title report and screens the property for accurate valuation and undisclosed liens. The property owners sign a donation agreement with CARS as the purchaser and they name the benefiting nonprofit as the recipient of the donation proceeds. This shields the nonprofit from liability. The property is then placed on the open market using a sealed bid or online auction format. This solicits the best offers from market buyers.

Step 3 - Sell: The auction buyer generally closes in 15 to 45 days depending on the value and property type. Closing is concurrent (double closing) with the donor deeding the property to CARS and then CARS deeding to the auction buyer same day.

Step 4 - Close: Upon the sale, CARS files the IRS Form 8282 with the IRS (required within three years of when donated property is sold). The donor may obtain a qualified appraisal to establish the tax deduction either up to 60 days before donation/closing date or up to the due date of next tax return. A deduction of more than \$5,000 requires the donor to obtain a qualified appraisal, and they must attach it to the return if greater than \$500,000. CARS signs IRS Form 8283 (donor's appraisal statement setting the donation amount). CARS receives the net proceeds from the sale as shown on the closing statement and processes 80% to named nonprofit. Donor receives final tax paperwork from CARS.

Frequently Asked Questions

How do I sign up for the Giving Property Real Estate Donation Program?

Getting started is easy! Simply fill out the Real Estate Donation Agreement and once your information is verified, you'll be ready to start accepting donations. CARS will also provide you with a donation page, toll-free number, and full marketing support from our in-house team.

Can we accept real estate donations with a mortgage balance?

Yes, you can accept donations with a mortgage balance. The proceeds of the auction sale will be used first to pay off any mortgage balance. Prior to the auction, CARS will determine if the likely value exceeds the mortgage balance and, in some cases, may have to reject an asset that does not have sufficient equity to result in a surplus.

Can donors choose to give a portion of the equity to our organization?

Yes. If the donated property has a high enough value, the donor may elect to donate a portion of the equity (falling under a Bargain Sale-IRS Section 170).

What type of real estate can we accept?

Most property types are considered. However, the property must have positive equity, a clear title, and no environmental issues. Commonly donated property types are land, second homes, rental properties, commercial real estate and estates. We cannot accept burial plots or timeshares.

Does the donation have to be of a certain value?

There must be sufficient value to cover any transaction costs. If the sale costs outweigh the donation value, we have to reject the donation. Generally donations of residential property and land valued over \$10,000 or commercial property valued at \$50,000 will be considered.

Is it easy to donate real estate?

Yes! CARS has a national real estate auction platform and a national title company partner, so we can quickly vet assets and convert them to cash without your organization ever having to own or operate the property. Donors do not pay for anything and only need to fill out a seller disclosure and sign the deed at closing. We take care of everything else!

How will the tax deduction be determined?

Real estate donations are based on the full appraised value, not the sale price. In most cases, donors may deduct the difference between the cash received and the fair market value. This is based on an appraisal specifically completed to assess the value based on IRS gift appraisal guidelines. Donors may not deduct proceeds that were applied to pay off mortgages or back real estate taxes. The deduction can be carried forward up to five years following the year of sale.

Who pays commissions and/or closing costs?

Donors do not have to pay any commissions. If the property is currently listed with a broker, CARS will pay the commission owed based on either the list price or the tax assessor value if there is no list price. There are no closing costs to the donor and all unpaid liens will be paid off at closing. Donors are generally not asked to pay anything out of pocket. Prepaid property taxes and assessments will be remitted back to the donor at closing.

Can either party cancel the donation agreement?

In short, it depends on the transaction. If CARS can't achieve a sales price that results in a surplus, or if there are title or serious repair issues found, we may have to terminate the donation agreement.

What if a property has environmental issues?

CARS has the ability to process properties with environmental issues; however, only high-value assets would be considered due to the risk and complexity. We have investors specializing in environmental cleanup and often issue indemnities to sellers via complex insurance placements.

How long does it take to complete a real estate donation?

Most donated properties will be completed within 90 days, and some as quickly as 14 days. Our goal is to maximize the value of the property.

Get Started Today!

Email Lana Berck at lanab@careasy.org to learn more.