

GIVING APPRECIATED REAL ESTATE

Real estate can be a great investment and source of supplemental income. It can also provide a place for family and friends to gather and build lasting memories. However, there often comes a time when you no longer need, use, or desire to manage a piece of real estate that previously served you well. Selling may seem like the obvious solution, but with the sale comes the realization of capital gains.

Gifting a piece of real estate offers several advantages. You can be freed from the obligations of ownership as well as the work of selling while receiving a tax deduction for the fair market value and avoiding capital gains. Best of all, you can support a ministry you care about with a significant gift to further its Kingdom work.

As the financial services ministry of FMCUSA, FM Financial has guided numerous donors through the process of gifting real estate to benefit their favorite Free Methodist ministry(ies). We would be happy to meet with you to determine if a gift of real estate might be right for you.

THE PROCESS



YOUR STORY

We want to get to know you, hear your heart for Kingdom work, and become familiar with the property you wish to give.



DUE DILIGENCE

We will guide you through our gift acceptance requirements which include a copy of the deed(s) for the property, a title commitment, an appraisal by a licensed real estate appraiser, evaluation of the property's condition and marketability, and other relevant information.



THE GIFT

Once your gift has been approved, FM Financial will engage the appropriate professionals to prepare the legal paperwork for the gift. Once all paperwork is signed, we will provide the tax documentation you will need regarding your gift.



AFTER THE GIFT

FM Financial will work with a real estate agent to list the property. Upon completion of the sale, we will distribute the proceeds to the ministry(ies) you have designated on your behalf.

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FREQUENTLY ASKED QUESTIONS



Is gifting appreciated real estate difficult?

While giving appreciated real estate requires more time and documentation than a cash gift, it is not difficult. FM Financial will guide you every step of the way.



What are the tax benefits of giving appreciated real estate?

You will receive an income tax deduction for the fair market value of the property (as determined by an appraisal) AND avoid the capital gains tax.



Can I split my gift among several ministries?

Yes, you can split one gift of appreciated real property among several ministries, if desired. FM Financial will distribute the gift according to the percentages you provide.



Does FM Financial charge a fee for processing the gift?

No, FM Financial does not charge any processing fees at this time. All net proceeds from the sale of the property will be distributed to the ministry or ministries you have designated.



Can my gift be made anonymously?

We are happy to facilitate the gift on your behalf and make the ultimate distribution to ministry anonymously.



Can I make a gift of appreciated real estate to a donor advised fund?

Yes, giving appreciated real estate to a donor advised fund provides all the tax advantages now while allowing you to determine the ultimate recipient of your gift in the future.



Can a gift of appreciated real estate provide an income?

Yes, there are giving strategies that provide you or your designee with an income. Your tax deduction would be lower, but capital gains are still avoided. We are happy to talk you through these options and provide illustrations of how each would work.