

Using Real Estate to Make a Gift

ALLOWS YOU TO:



Turn an asset into **support** for students and faculty

Receive a **charitable** income tax **deduction**

Avoid paying **capital gains** taxes

HOW YOU BENEFIT

- The real cost of your gift is reduced, since you'll save on income and capital gains taxes by giving appreciated property to Carleton.
- You can use real estate to make a variety of different types of gifts, including:
 - An outright gift that gives you a charitable deduction for the fair market value of the property while potentially avoiding capital gains taxes.
 - An outright gift that also gives you some cash back.
 - A gift that gives you income and an immediate tax deduction, while leaving the assets to Carleton.
 - A gift that gives Carleton income for a few years, then is passed on to your heirs at the time you specify with considerable estate and gift tax savings.
 - A gift that gives you a sizeable tax deduction today and allows you to use the property for your lifetime, while leaving the property to Carleton at your death.
- You can designate your gift to start an endowed fund or to support a particular project.

HOW CARLETON BENEFITS

The full value of your gift benefits Carleton—as a tax-exempt organization, Carleton doesn't have to pay capital gains tax on appreciated property.

PLANNING TIPS

- If you are planning to sell or transfer property in the near future, contact us to discuss creative ideas to minimize your transfer taxes and make a gift to Carleton.
- Gifts of real estate can be made either with the entire parcel, or by giving Carleton a partial interest in the property.
- Mortgage-free properties provide you with greater tax benefits than mortgaged properties.
- Gifts of real estate require a qualified appraisal and can take time to complete—contact Carleton early in your decision-making process.
- You may need to provide the following information:

Legal name: Carleton College

Tax ID number: 41-0694747

Address: One North College Street, Northfield, MN 55057.

FOR MORE INFORMATION

Phone: 800-492-2275 or 507-222-4200

Email: planned-giving@carleton.edu • **Web:** giftplanning.carleton.edu

Mail: One North College Street, Northfield, Minnesota, 55057

Disclosure: This information is not intended as legal advice. Please consult your attorney or financial adviser to learn if a gift of real estate is appropriate for your situation.

Beach '53 and Marianne Hall '53

PUTTING A VACATION HOME TO WORK FOR CARLETON



“You don’t have to have a million-dollar property to make a gift worthwhile.”

KELLIE HALL '53

If it hadn’t been for Carleton, Beach Hall '53 and Marianne Kalivoda Hall '53—better known as Kellie—would never have met. The transition into college proved to be an important one for the rest of their lives: By the end of their first month on campus, they were dating.

“Those were the days that you kissed goodnight in the snowbank, not in the hallway,” Beach says.

They were good years, the Halls recall. They both have fond memories of attending Carleton during the President Gould years, editing the *Algol*, and fighting for the only time on campus in Scoville Library.

“Neither one of us can remember what it was about,” Kellie says with a laugh.

As the couple moved on, to Beach’s Army days, to Indiana, to Michigan, and to later stages of their lives, Carleton remained important. The couple ran alumni meetings and served as admissions representatives in the Indiana and Detroit areas, and Kellie has edited their class newsletter since 1995. They also served as co-chairs for their 50th, 55th, and 60th class reunions.

“Carleton’s education has served us well through all our lives,” Kellie says. “It’s still a great school, and we’re happy to support it.”

When the time came to transition once more, to simplify their lives, the Halls decided to sell their vacation condo in Colorado. To avoid capital gains, their CPA suggested they donate the property rather than sell it. Carleton was their charity of choice.

“We weren’t using it as much, and Carleton has meant a lot to us over the years,” Beach said. “And we didn’t have the bother of dealing with a real estate sale from another state.”

The process of the bargain sale was simple. The Halls sold the property to the college for a nominal price so they could pay the small remainder of the condo’s mortgage; Carleton then sold the property and kept the proceeds. In the Halls’ case, the money from that sale was added to a scholarship they had previously created to fund through their IRAs. It feels good, the couple says, to see that scholarship begin to be awarded while they are still alive.

“With the bargain sale, we weren’t out of pocket anything,” Kellie says. “We came out all right, and the college came out ahead.”