

Charitable Gifts of Real Estate

Providing choices and benefits

Giving a charitable gift of real estate for the benefit of The Fuller Center through Mennonite Foundation is an option for owners of farmland, commercial or residential rental property, or vacant investment land.

Donating farmland

Bill and Arlene Yoder (not their real names) were not sure what to do with their family farm. Their only son wasn't interested in farming, and they had no other relatives to pass the farm to. They contacted their Fuller Center for Housing representative and found there were more choices than there were limitations.

The farm had been in the family for generations, and Bill had some questions. Would Mennonite Foundation sell to just anyone? How would the sale be handled? What impact will the sale have on the community?

Here are some of the answers from Bill's foundation representative:

- Mennonite Foundation is sensitive to the donor's recommendation on who should have first chance to purchase the land where the purchase does not conflict with foundation's fiduciary responsibilities.
- Mennonite Foundation attempts to market the land in a manner commonly used in that community. There may be legal and market limitations, at times.
- Land development options are discussed with the donor. Selling land for agricultural use may bring

Advantages

- Avoid lump sum capital gains tax.
 - Get an immediate tax deduction.
 - Create dependable income.
 - Preserve farm heritage.
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less for the family and charity than if the land could be marketed for development uses.

Mennonite Foundation is willing to work with landowners in marketing and selling land as much as is legally possible. Tax laws and family situations may favor contributing farmland for charitable purposes. Mennonite Foundation does the following things:

- Attempts to sell farmland at a fair market value as determined by an independent certified appraiser.
- Helps find an appropriate buyer to maintain the historic integrity of property.
- Tries to follow the wishes of the donor, including maintaining farmland for agricultural purposes.
- Prefers to sell for cash, but can sometimes facilitate the sale of farmland by offering installment contracts.
- Attempts to minimize the amount of real estate owned long term, but may consider leasing arrangements when the sale of property is not immediately possible or appropriate.

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