

DONATING NON-CASH ASSETS

CAF AMERICA CAN EXPEDITE CHARITABLE DONATIONS TO **MORE THAN 1.8 MILLION** ORGANIZATIONS IN **110 COUNTRIES** AROUND THE GLOBE

Most donors in the United States give cash to their preferred charitable causes, but cash is not always the smartest way to give. For donors with assets such as real estate, art, privately held business interest, or other property, donating these assets can be a tax-effective means by which to support the charitable causes they are passionate about.

Increase your Charitable Support by Donating Appreciated Assets

By donating non-cash assets directly to a donor advised fund (DAF) at CAF America, donors can take a deduction at the fair market value (FMV) of the asset (up to 30% of AGI) and bypass capital gains taxes. This means there are more funds supporting their favorite charities.

With substantial experience in handling these transactions, CAF America makes donating complex assets a less complexing process.

Case Study: Donating Foreign Real Estate

Background

A donor wished to donate real estate located in Mexico valued at more than \$9 million to a local university, while receiving tax benefits in the US.

Challenge

The process impacted by a complex regulatory framework, involved several parties and presented many logistical hurdles. There were multiple layers of ownership: the property was owned by a Mexican trust, which was in turn owned by a US trust. Using an intermediary for making the donation was necessary to maintain tax-effectiveness: for the donors to receive US tax benefits for this contribution, the property needed to be accepted by a US 501(c)(3) with the capability to then make the gift to the Mexican University.

Solution

Once a qualified appraisal was conducted by a respected third-party, CAF America provided advisory support and conducted due diligence to ensure that the gift to the Mexican University would be legally compliant and charitable in nature. Extensive involvement from CAF America staff, including in-person site visits, resulted in the transaction being successfully approved. The donor was able to claim US tax benefits while the Mexican University received a substantial addition to a new campus.

Read more at cafamerica.org/about/case-studies.



QUESTIONS?

Give us a call at
202-793-2232

To read more about IRS requirements for Substantiating and Reporting Charitable Contributions, take a look at the CAF America blog at cafamerica.org/substantiating-and-reporting-charitable-contributions.

Please contact us to learn more about how CAF America—an organization with over 27 years of experience—can assist you or your client in the donation of non-cash assets.