It's a partnership—

Charitable Remainder Trust

Learn about the respective roles and responsibilities of you—the donor—and of TNC during the gift-acceptance process. Refer to the back of this sheet for a glossary of italicized terms.

YOU	THE NATURE CONSERVANCY
Discuss with TNC staff member and then …	Reviews information collected from you and then …
Collect & Share Property Information with TNC	**Performs Due Diligence**
• Completed ***Real Estate Gift Information Form*** • Copy of deed for your property • HOA, condo, etc. documents • Property tax statements • Insurance policy for the property • Monthly property expenses	• ***Staff Site Inspection*** • ***Environmental Assessment*** • Preliminary Title Report and Title Commitment • ***Valuation***
Identify a Qualified Appraiser	**Provides Approval**
• Secure IRS qualified ***appraisal*** report (no earlier than 60 days before gift date) • Provide TNC a copy of appraisal report	• Presents summary information to TNC Business and Legal Departments • TNC Business and Legal Departments sign off to formally approve • Sends ***Letter of Understanding*** documenting acceptance of gift, along with draft trust document
Sign and Return	**Initiates Gift Closing**
• ***Letter of Understanding*** documenting your intent to donate property to fund a ***charitable remainder trust*** • Review draft trust document • Prepare property for transfer (removing your personal property)	• Sets date for signing of ***closing documents*** • Prepares and provides final trust and closing documents for signatures
Complete Gift Closing	**Finalizes Process**
• Execute trust documents • Execute ***closing documents*** provided by TNC • Pay ***closing costs***	• Provides gift acknowledgment letter and copy of fully executed trust document • Thanks you for your generous gift!
Send IRS *Form 8283* to TNC	**Signs and Returns IRS *Form 8283* to You**

Glossary of Terms

Appraisal: To claim a charitable deduction, the IRS requires donors obtain an appraisal report that meets requirements set forth on its website at www.irs.gov/pub/irs-pdf/i8283.pdf. Please share those requirements with your appraiser. Note that the effective date of the appraisal report must fall within the 60-day period preceding the gift date (recommended) or after the gift date but before you file taxes.

Charitable Remainder Trust (CRT): A real estate-funded CRT is often referred to as a flip trust. Upon the sale of property out of the trust, it "flips" from a trust paying you net income, if any, to a trust making distributions to you based on a fixed payout rate.

Closing Costs: The donor will make two types of payments at closing. The first payment will be to the title company or closing attorney to cover all fees related to the transfer of title into the TNC trust, including the cost of title insurance. The second payment, which is tax-deductible, is made to TNC as trustee for carrying costs.

Closing Documents: The closing documents package is similar to that involved in the purchase of real estate, less the inclusion of financing documents since the transfer is a donation. Typically included are a deed transferring title to TNC and affidavits to ensure no liens or outstanding expenses. A draft closing package is provided for review prior to closing.

Environmental Assessment: TNC staff or an environmental consultant will, with the donor's permission, conduct a site visit, interview the donor, and complete a Phase I Environmental Assessment to ensure TNC will not, upon taking ownership, be subject to undue risk.

Form 8283: To claim a charitable deduction on a federal tax return, the IRS requires donors to complete Form 8283 (available on the IRS website at www.irs.gov/pub/irs-pdf/f8283.pdf). Completion of this form is based on the appraisal report and requires the appraiser's and TNC's signatures.

Letter of Understanding: Upon completion of due diligence and formal acceptance of the real property, TNC provides a letter documenting our intent to accept the property. The letter will further state that TNC may sell the donated property and use proceeds to fund the CRT pursuant to donor intentions.

Real Estate Gift Information Form: To expedite due diligence and ensure a smooth transition of title to TNC, we seek information from the donor regarding how the property is held, taxing jurisdiction and recent statements, utility companies, HOA documents, etc.

Staff Site Inspection: TNC staff will, with the donors' permission, conduct a site visit to undertake an in-person examination of the property, its features, location, condition, etc. and to take photographs.

Valuation: The minimum requirement is for most donated property to result in net sales proceeds of $100,000 to TNC, with higher thresholds in some cases. Sources used to determine value and the current market include brokers, tax offices, and appraisals.

WE'RE HERE TO HELP ▸ To speak with one our planned giving specialists or to notify us of a legacy gift you have planned, contact us at **(877) 812-3698** or **legacy@tnc.org**.

This information is intended to provide a general overview of this gift option. The Nature Conservancy cannot render tax or legal advice, and this information is not intended as such. Because of the complexity of estate planning, it is also important that you confer with a qualified advisor to assess the financial, legal and tax benefits for your personal situation. TNC does not solicit or accept donations from individuals or entities associated with foreign countries of concern or foreign sources of concern, as defined in Florida Statute Section 496.404. By making a donation, you certify that you are not a foreign source of concern. We would be happy to answer any questions you may have about this material.

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