

THE Major Gifts REPORT

MONTHLY IDEAS TO UNLOCK YOUR MAJOR GIFTS POTENTIAL

*A Stevenson, Inc. Publication***MANAGING GIFTS OF REAL PROPERTY****Commercial Real Estate Gift Red Flags**

Be careful when accepting gifts of real estate, warns Elizabeth E. Solender, president of Solender/Hall, Inc. (Dallas, TX), a company that specializes in nonprofit commercial real estate.

“If a property is valuable, chances are the donor will sell it rather than give it to your organization,” says Solender.

As a result, most gifts of property are filled with potential pitfalls that can endanger an unprepared organization, she says. So before accepting gifts of property, it is imperative that your organization has a written policy and procedures in place and that each gift is carefully weighed to ensure it is consistent with your organization’s goals.

Solender shares six commercial real estate gift situations that should raise red flags:

1. A donor comes to you with a real estate gift at the end of the year. Be skeptical of these gifts, there’s usually something wrong. Making a real estate gift should not be a hasty last-minute decision.
2. A donor hints at hiding something from the IRS. Run from anything that is not completely legitimate.
3. A donor promises to make repairs after the gift has gone through. Don’t count on it. Assume nothing will happen once you take it.
4. A donor offers you a gift of lake lots, trailer park lots, timeshares or lots in planned communities. These lots have very low value and there’s very little market for them.
5. A donor wants to gift one piece of property to several organizations. This type of gift creates a potentially complicated situation where one organization has to be in control, bill other organizations, maintain the property, collect rents and gain consensus on major decisions.
6. A donor wants to gift property that is located out of your area or out of state. The property could be in a community with a poor real estate climate, or it could currently be used for illegal purposes such as a drug house. You never know unless you physically see it.

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