



From the Ground Up

Real Estate Funded Charitable Remainder Trusts

From the Ground Up

▶ A View from Differing Perspectives:

▶ **Michael Davis, MBA, CTFA**

Senior Philanthropic Advisor, US Bank Charitable Services Group

▶ **Jennifer Milburn, Senior Director**

Oregon State University Foundation, Gift Planning

Agenda



Why our donors consider real estate funded CRTs



How we speak to our donors about this opportunity



Gift Illustrations - what we like and where you can get it



Due Diligence - what do we want to know, and what do we provide the donor (in writing)



Who are the donor's advisors?



Perks, Pitfalls, other Pesky Details

It's All About the FLIP!



- ▶ Benefits of a Flip CRT for Donors
 - ▶ Avoid/defer capital gains tax on sale of appreciated asset
 - ▶ Control the sale
 - ▶ Receive an income stream for life
 - ▶ Support the charities they love

What we share with our donors

- ▶ What do we listen for?
- ▶ How do we start the conversation re a Flip CRT
- ▶ What stories do we share





Gift Illustrations

- ▶ Demonstrate benefits AND manage expectations!
- ▶ Who serves as trustee?
- ▶ The “Valley of Income”
- ▶ Seeking a qualified appraisal
- ▶ Does the donor have experienced advisors
- ▶ Consider an Agency Agreement

Due Diligence

- ▶ The trust instrument is VERY important, who will draft?
- ▶ Has self-dealing been well covered?
- ▶ Deciding payout rate
- ▶ Agency agreement?
 - ▶ Tax documents
 - ▶ Qualified Appraisal



Due Diligence...Continued

- ▶ Has donor reviewed ALL aspects of trust with personal advisors?
- ▶ Ideally donor's attorney will present final trust for signature
 - ▶ Waiver needed?



A Note About Qualified Appraisals...



Perks & Pitfalls



Other Pesky Details...

- ▶ Recording deeds
- ▶ Assigning EIN
- ▶ Register with DOJ (Oregon)
- ▶ Collect sale closing documents
- ▶ Resignation of trustee



Q & A

- ▶ How can we help?
- ▶ Resources for smaller shops?
- ▶ Thank you for joining us!!!



Outline

- ▶ Perspectives: Michael vs Jennifer
- ▶ Basic steps:
 - ▶ Jennifer outlines how she goes over with donor
- ▶ Donor shared facts:
 - ▶ Jennifer start
 - ▶ Michael fill in w/what I care about
- ▶ Illustrations: get your own advice - involve advisors
- ▶ Documents:
- ▶ Appraisals: timing of appraisals; LLCs vs partial appraisals