

IT'S YOUR LEGACY. EXPLORE IT.

FUNDING CHARITABLE

REMAINDER FLIP UNITRUSTS

Thank you for considering a gift of real property for the benefit of California Polytechnic State University (Cal Poly). This information sheet is designed to highlight important issues related to gifts of real property that fund irrevocable flip charitable remainder unitrusts with the Cal Poly Foundation serving as Trustee.

- The Cal Poly Foundation (“Trustee”) will accept real property into a charitable remainder flip unitrust (“CRT”) if it deems the property is readily marketable and its title is free and clear of all liens and encumbrances. Should there be an issue in this regard, the Donor will work with his or her attorney/advisors to resolve these issues to the satisfaction of the Trustee.
- The Trustee will provide the Donor with an execution-ready CRT agreement for review by Donor’s advisor(s). Donor will return the executed CRT agreement to the Trustee. If any modifications are requested by the Donor or their advisor, they must be approved by the Trustee.
- The Trustee will prepare a deed for transfer of title to the Trust. The gift will be considered completed when the CRT agreement has been signed and the deed has been executed and delivered to Trustee.
- It is important that, as of the time of the transfer of title to the CRT, the Donor or Trustee not be under any legal obligation to sell or otherwise convey the property or any interest therein to anyone. The property will be transferred to the CRT free from any such obligation.
- Property taxes on the property will be prorated between the Donor and the CRT as of the date of the transfer of title to the CRT. The Donor will not permit any intervening liens to be attached to the title before the recording of the deed.
- The Donor may be requested to provide sufficient funds to the CRT to pay any expenses incurred during the time period before property is sold by the Trustee. A list of potential expenses and the responsible party for those expenses is attached.
- The Trustee will review the property and make recommendations for repairs to the property prior to the transfer of the property to the CRT. These repairs will be the responsibility of the Donor.
- It is the Trustee’s policy not to hold real property as an ongoing investment within a charitable remainder unitrust. Therefore, the Trustee will commence marketing the property as soon as possible after it is transferred into the CRT.
- It is the Donor’s responsibility to take any necessary action to qualify gifts to the CRT for a charitable income tax deduction. The Trustee will calculate the amount of the potential deduction for the gift of the property based upon the appraised value of the property from a qualified independent appraisal obtained by the Donor no earlier than 60 days prior to the date of the gift, nor later than the due date, with extensions, of the federal income tax return that reports the gift.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY FOUNDATION'S FEDERAL TAX IDENTIFICATION NUMBER IS 20-4927897.



CAL POLY

Office of Gift Planning

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