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Tax Deductions for Donating Office Space to a Nonprofit

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Real Estate Donation: Frequently Asked Questions

Boys2MEN-Girls2WOMEN offers free consultations to those considering a property donation. To schedule a free conversation with one of our advisors, [click here](#).

Why wouldn't I just sell my property and donate the proceeds if I want a charity to end up with them?

Often there are significant tax advantages to you the donor to donate the real estate itself. In that case, you save taxes and the charity actually ends up with more proceeds than if you had sold the real estate and then donated the proceeds. Our real estate managers can assist you in finding out if your property would qualify.

Immediacy: How long does the donation process take, what do I have to do?

Following completion of an independent appraisal (see below), we work to have everything that requires your involvement completed within 10 business days. For example, our due diligence on your donation is accomplished primarily by phone with you. On occasion, if an actual site inspection is required, we can normally accomplish that within the ten-business-day time frame depending on your location. The required IRS Form 8283 would be mailed to you at the end of the ten days and/or when the actual deed transfer occurs.

Is an appraisal required?

For properties with a value exceeding \$5,000, the IRS requires that an independent appraisal be obtained to establish the value of the gift of appreciated property. We will work with you and the contracted appraisal firm to accomplish the appraisal in advance of your gift and in as timely a way as possible. Once the appraisal is ordered, all other documentation would be processed in parallel and as timely as possible.

Why haven't I heard more about donating real estate?

Many organizations just do not have the in-house expertise or the directors of the organization are afraid of the potential liability issues. Boys2MEN-Girls2WOMEN is unique in that it is specifically organized to handle real estate donations and the staff has extensive real estate experience.

Why would a charity want my real estate when I am struggling to keep it?

Not all real estate qualifies but because of our experience, Boys2MEN-Girls2WOMEN can often find a reasonable solution to your problems and create a true win – win scenario for you as a donor and Boys2MEN-Girls2WOMEN as a funding source for communities around the world.

What types of real estate does Boys2MEN-Girls2WOMEN accept?

Virtually any type of real estate can be considered. There are no hard and fast rules. Houses, rentals, commercial buildings, vacant land, and office buildings are a few of the most common. Don't hesitate to contact us; our real estate manager should be able to give you an idea of the likelihood of a donation after the first call.

Are there any properties you will not accept?

Properties with debt or significant other financial liabilities (high association fees, membership fees, or covenants which make defining financial liability unmeasurable) will generally not be accepted. Exceptions can be made if the property is highly saleable and can be accomplished soon after making the gift.

How quickly can a donation be completed?

Generally, fairly quickly. Of course it depends on the complexity of the situation but our due diligence process can usually be accomplished expeditiously. Our goal is 10 business days.

How much can I take for a charitable deduction?

You should always consult with your tax advisor but generally you can take the fair market value of the property. If the fair market value is \$5,000 or more, IRS says you will need a qualified appraisal. We can help you qualify the donation amount if involved early enough in the process.

How much out of pocket expense will I have if I donate real estate?

Very little or none. Most, if not all, closing costs will be paid by Boys2MEN-Girls2WOMEN. We take care of all the hassle and send you a donation tax receipt.

What tax advantages would I have if I donate the asset?

Boys2MEN-Girls2WOMEN is not an accounting firm, and we cannot and will not give tax advice, but we will work with your tax advisor to pursue all options in helping you maximize your tax advantages concerning your donation.

How long does it take to renovate or sell a donated property?

Your donation of property to Boys2MEN-Girls2WOMEN releases you from concerns about renovating and/or selling your property. If the property takes weeks or months to prepare and sell, this is the responsibility of Boys2MEN-Girls2WOMEN. We always value your assistance in providing a ready-for-sale property gift, however this is not a requirement.

Where are the funds from the sale of the property utilized?

A list of current charitable projects with pre-approved, not-for-profit entities will be shared with you for your counsel in where to invest. These entities provide resources for five primary areas: international leadership training (lay-leader training as a focus), compassionate services (child sponsorship and poverty alleviation), human-trafficking prevention or restoration, medical (clinic services and associated health care), emergency information services (Haiti radio station).

What administrative overhead expenses go to Boys2MEN-Girls2WOMEN?

Administrative expenses vary as the amount of time and effort to qualify, acquire, renovate, improve, market, and liquidate a property vary according to location, value, your counsel, potential buyers, etc. Boys2MEN-Girls2WOMEN's administrative expense goal is to keep administrative spending at less than 10%. Making significant funds available for charity is a high value for us. Keeping overhead at 10% or less would mean 90% of every donated dollar will help to improve life somewhere in this needy world.

Want specific advice for your unique property situation?