



# The Trust for Virgin Islands Lands

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## TVIL Land Donation FAQs

Thank you for considering a donation of land to the Trust for Virgin Islands Lands (TVIL).

Below is a list of important considerations and steps to complete a donation:

### 1. The Land

- a. What is the area of land you wish to donate? Is the donation an entire parcel? Is it a portion of a parcel or parcel? A survey may be needed to ensure both the donor and TVIL are clear and in agreement on the extent of the land included in the gift.
- b. Intent – what is your wish for the land? Some donors may make a gift of land that they wish to see conserved into the future for protection of natural resource values, while some donors may make a gift of land that may not be suitable for conservation and that TVIL may possibly sell to raise funds to support our work. Please discuss your goals for the gift of land with TVIL so that we understand your intention.
- c. TVIL requires a site visit by our staff or a board member as a part of our evaluation process to accept gifts of land. We will work with donors to arrange a mutually agreeable date for a site visit.
- d. Title Search and Insurance. TVIL policies require that title is investigated prior to closing and title insurance for the property may be required. Title investigation must be updated within 30 days of closing. TVIL may be able to assist with title search during the donation process.

### 2. Financial and Legal Advice

- a. The full market value of land donated to a nonprofit land trust is tax deductible as a charitable gift. Please talk with your financial adviser about the tax benefits of donating land. We cannot make any representations with regard to the tax consequences of your donation. Your financial advisor will be able to explain how a donation will affect your individual circumstances.
- b. You will need to have an attorney of your own to advise you during the complex process of transferring the land to us. You and your attorney, and TVIL will work together until we are all satisfied with the terms and conditions of this contemplated transaction.

### 3. Tax Benefits and Appraisal

- a. Donors of land may claim a federal income tax deduction if the donation meets IRS requirements found within IRC §170 and the accompanying Treasury Department regulations and any other federal or state requirements. To qualify for a tax deduction for gifts of property valued at more than \$5,000 the donor must obtain an appraisal prepared by a qualified appraiser. The appraiser must follow the Uniform Standards of Professional Appraisal Practice. The appraisal must include consideration of enhancement, if this applies (for example, adjacent

or nearby property is owned by the donor). The timing of the effective date of the appraisal is also important. The appraisal cannot be prepared more than 60 days prior to the date of the donation. TVIL will require a copy of the appraisal.

- b. Please be advised that TVIL cannot guarantee or confirm that a particular donation will be deductible, what monetary value of the gift the IRS will accept, what the resulting tax benefits of the deduction will be, or whether the donor's appraisal is accurate. Again, the above is our understanding of the procedures but you must obtain your own accounting and legal advice in this matter.

#### **4. IRS Form 8283**

- a. To apply for a tax deduction, the donor is required to file an IRS Form 8283 with his or her tax return. The form must be signed by the appraiser, the donor and TVIL.
- b. Please note - our policies require the following items to be completed and confirmed before TVIL can sign the Form 8283:
  - The name of the landowner(s) must match the landowner(s) in the title investigation
  - Gift description completed accurately
  - Fair market value of donation matches the appraised value
  - Bargain sale payments, if any
  - Donor's cost or adjusted basis
  - Date of gift

#### **5. Stewardship of Land**

Fulfilling our mission requires extensive work including property documentation that involves significant staff time, a minimum annual monitoring visit to the property, maintenance of annual liability insurance for the property and property management which varies depending on the individual circumstances of each property and the management plan developed by TVIL. These ongoing obligations set land trusts apart from many nonprofits and require that the land trust have a source of funds available to meet its responsibilities.

We will discuss with you, once we have more information about the property, a requested donation that will assist TVIL in carrying out our ongoing operations and stewardship obligations. Your donation is tax deductible within the extent of what the IRS allows.

#### **6. Transaction Costs**

Typically, TVIL asks the land donor to be responsible for the items needed for conveyance, which may include survey costs, legal and recording fees, and due diligence fees such as title search and title insurance.

**Thank you for your interest in a donation to TVIL. Please reach out with any questions you may have. We look forward to working with you.**

*For additional information, please go to:*

*<https://www.landtrustalliance.org/what-you-can-do/conserv-your-land/getting-started>*

*The Land Trust Alliance (LTA) is the national convener of land trusts and the voice of the land trust community. LTA is national leader in policy, standards, education and training, and offers excellent resources for both donors and land trusts.*