



Easement Donation Timeline

The American Easement Foundation suggests these steps be followed in conveying a preservation easement. They are presented in a sequence that is generally chronological, but it is understood that some actions may occur concurrently. AEF will work with each potential donor to tailor the time line to fit the specific conditions of the property.

1. The owner contacts AEF to initiate discussions.

At the outset, an informal discussion will help to establish a general understanding of the property and AEF's potential participation in receiving an easement.

2. AEF provides the owner with an information packet.

This includes basic information about AEF and the general parameters for donating an easement.

3. The owner formally notifies AEF of the intent to donate an easement.

This may take the form of a letter of intent, or a formal application (which is available from AEF). This does not bind the donor to completing a donation, but indicates formal interest. This initiates services of the AEF's attorney and may also include expenses to inspect the property and incidental administrative costs. These are discussed with the potential donor prior to undertaking any work.

4. The owner confirms the eligibility of the property as a historic resource with the National Park Service.

The IRS requires that a property be formally confirmed as being "eligible," in terms of historic significance, prior to filing the tax forms claiming the deduction. We understand that the owner must file a "Part 1" form of the Historic Rehabilitation Tax Credit application to establish the eligibility. Even though the donor is not intending to follow through on the subsequent parts of the tax credit application, this form is required. This form is filed through the State Historic Preservation Office, which forwards the application to the National Park Service for action. Once the owner receives confirmation, this information is to be provided to AEF in the formal baseline documentation (see below).

5. AEF develops a preliminary outline of easement conditions.

This draws upon discussions with the owner about their general intent for the easement. This will include a description of those features that are to be granted in the easement, as well as the amount of a gift to the foundation to help cover monitoring and administrative costs. Later, this information will be included in a draft of the formal easement agreement.

6. The owner provides AEF with the baseline documentation of the property.

This documentation describes the historic significance of the property and documents its condition at the time of conveyance of the easement.

7. The owner secures an appraisal of the value of the donation.

The donor secures the services of a qualified appraiser. This appraisal should be prepared by a professional in the field with qualifications acceptable to the IRS. AEF will review the appraisal, to consider the methodology used, and may require that a second professional in the field review the appraisal as well.

8. AEF develops the draft easement agreement (Act of Donation of Perpetual Real Rights).

AEF will prepare a draft easement agreement, based on the preliminary outline of easement conditions and submit this to the donor for review and comment. This will be delivered to the owner for comment.

9. Both parties finalize the easement agreement.

Both parties sign the easement agreement.

10. The owner files the Act of Donation of Perpetual Real Rights

The donor files the act of donation, and provides AEF a notarized copy. This occurs before the end of the year for which the deduction is to be claimed.

11. The owner delivers the gift donation to AEF.

This occurs before the end of the year for which the deduction is to be claimed.

12. AEF signs the IRS Form 8283

This form documents the charitable donation of the conservation easement. The signed form is delivered to the owner.

13. The owner files their income tax form.

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