

## Frequently Asked Questions

### How do you ensure the Integrity of the Donation Process?

Our donation process is managed with transparency and integrity and includes the following:

1. **Accountability:** The Donation Team reports directly to the CEO. Our CEO's primary concern is the organization's mission of helping at-risk youth. Yacht donations are the biggest component in our charitable contribution revenues and the second biggest source of revenue. We strive to comply with all of the federal and state laws that apply to the Yacht Donation Program.
2. **Internal and External Audit:** AMIKids is a 501(c)(3) nonprofit organization with federal and state contracts. The Yacht Donation Program is audited annually by internal and external auditors who report directly to the Board of Directors of AMIKids.
3. **High Stakes:** The Yacht Donation revenue is vital to our ability to serve our kids. We strive to comply with all federal and state laws, including the IRS rules that govern yacht donations.
4. **Donor's Deduction:** Generally, if a charity sells a donated yacht, the donor's deduction is limited to the amount the charity receives from the sale and the deduction cannot be taken until the sale occurs. However, a donor can deduct the fair market value of the donated yacht as of the date of the donation if the charity certifies that it intends to make certain material improvements before the yacht is sold.
5. **Efficient Material Improvements:** Material improvements are made directly by our staff and a well-established network of reputable job-specific contractors.
6. **Our Lease Program:** Generally, we lease the donated yacht to a new yachtsman for a period of three years. We have been operating this lease program for 50 years and have found that it provides a level cash flow to our organization and is an attractive option to the new yachtsman because it requires less out of pocket cash than a sale would require.
7. **Our team:** AMIKids has an experienced team of facilitators and yacht specialists available to assist each donor. We collaborate with yacht brokers, accountants and tax professionals. Our Project Manager directly oversees all material improvements. Our Director of Business Administration closely monitors compliance with IRS reporting guidelines.



## Why would I donate a Yacht?

A donation:

- Provides the yacht donor a substantial income tax deduction;
- Furthers the donor's philanthropic goals by helping at-risk kids; and
- Conveniently provides the donor with immediate relief from dockage, maintenance and other costs and worries of owning the yacht.

## What are the Benefits of Yacht Donation?

Yacht Donations benefit the entire yachting industry. Donors have a tax deduction and a convenient and efficient alternative to sale, yacht brokers have another tool in their business, and new yachtsmen have access to yachts under a lease, requiring less initial investment.

## Can Yacht Donation be an alternative to trading a yacht?

Short answer is yes, but the donor receives an income tax deduction instead of a credit toward the purchase of a new yacht.

## What is the Tax deduction I can get if I donate a yacht?

Your tax advisor can help you answer this question. Generally, the amount of your deduction will be the sales price received by the charity if material improvements are not to be made and the appraised price if material improvements are made. A qualified appraiser must prepare the appraisal.

## Why choose AMIkids instead of another organization?

AMIkids:

- Has a 50-year record with over 6,000 donations and is highly respected within the yacht industry;
- Is a national leader in the rehabilitation of at-risk kids;
- Has an experienced in-house team to manage the donation process;
- Is respected by the yacht brokerage community; and
- Efficiently manages the donation process with its experienced staff.

## How does my donation help at-risk kids?

AMIkids is dedicated to rehabilitating at-risk kids through education, training, counseling, discipline and productive work. We often use marine, wilderness and other environmental education and rehabilitation programs to accomplish this goal. All profits from yacht donations support these efforts.

## How Does the Donation Process Works?

If we agree to accept a contribution and to make material improvements, the donation process involves five simple steps:

<b>Appraisal</b>	A qualified appraiser selected by you will determine the yacht value. The appraised value will be the basis for your tax deduction. We cannot be involved in the selection of the appraiser or the determination of the yacht value.
<b>Survey</b>	We will obtain a separate survey of the yacht to determine if we are willing to accept it as a donation and certify that we will make material improvements.
<b>Closing</b>	If we agree to accept the contribution, we will work with you to document the process and complete the necessary paper work (deeds of gift, IRS Forms 8283 and 1098-C).
<b>Improvements</b>	We will make material improvements to the yacht.
<b>Lease</b>	We will market the yacht for lease through reputable channels.

If we accept a contribution with a requirement that the yacht be sold, then the same steps will be required except that we will not certify that we will make material improvements and market the yacht for sale through reputable channels immediately after the donation.

## Will AMIkids accept my yacht?

The AMIkids Yacht Donation Program is not a one-size fits all.

We work with a very specific market segment of highly valuable, highly marketable yachts.

Each potential donation receives a thorough assessment by our experienced facilitators based on our 50 years of institutional experience. Our facilitators will make recommendations.

## How does the AMIkids lease agreement work?

AMIkids uses a 'Standard Lease with Option to Purchase.' The lease term is three years, and we hold title to the yacht during the lease term. The lessee has an option to purchase the yacht at the end of the lease term. If the lessee exercises this option, we transfer the yacht to the lessee at the end of the lease term.

At the signing of the lease agreement, the lessee pays an initial amount of 35% of the total payments to be made under the lease. There are three components to the initial payment: a Short Term Lease Payment, an Option Fee and a Security Deposit.

During the lease term, the lessee makes monthly rent payments of 1% of the total payments to be made under the lease. This will total 36% by the end of the lease term (1% per month for 36 months). If the lessee exercises the option to purchase the yacht, then the purchase price at the end of the term is 29% of the total payments to be made under the lease.

At any time during the agreement, the lessee can terminate the lease by returning the yacht to us.

## Where can I find supporting information?

### **Publication 526 - Charitable Contributions**

This document explains how to claim a deduction for charitable contributions and discusses:

- Organizations qualified to receive them
- Types of contributions you can deduct
- How much you can deduct
- What records to keep
- How to report them.

## Publication 561 - Determining the Value of Donated Property

This document explains the fair market value of assets and the valuation of various kinds of property; including cars, boats and aircraft. It also describes the process for appraisals and penalties for overstating the value or adjusted basis of donated property.

### Why involve a Yacht Broker in the donation process?

AMIkids does business with an extensive network of maritime industry professionals, including multiple contractors, suppliers and reputable yacht brokerage firms.

Yacht Brokers work like real estate agents. They are required by law and act as agents for their customers to assist in the purchase and sale of yachts.

Some of our partners include:

Allied Marine  
Berthon International  
Yacht Brokers  
Boatworks Yacht Sales  
Camper & Nicholsons  
Chuck Hovey Yachts  
Curtis Stokes & Associates  
Davidson Yachts  
Denison Yacht Sales  
Eastland Yacht Sales  
Essex Boatworks  
Florida Yacht Group  
Fraser Yachts

Galati Yacht Sales  
Gilman Yachts  
HMY Yacht Sales  
Luke Brown Yachts  
Mark Zeigler Yachts Sales  
Marlow Marine Sales  
Merritt's Boat & Engine Works  
Northrop & Johnson  
Outer Reef Yachts  
Palm Beach Global Yachts  
Preferred Yachts  
Ross Yacht Sales

Seaton Yachts  
Sparkman Stephens  
St. Pete Yacht Sales  
SYS Yacht Sales  
Tait Yachts  
The Hinckley Company  
Tom George Yacht Group  
United Yacht Sales  
Walczak Yacht Brokerage Service, LLC  
Worth Avenue Yachts

### How do I get started?

Contact your trusted *Yacht Brokerage Firm* or contact us directly:

12022 Gandy Blvd. St. Petersburg, FL 33702

[www.yachtdonations.org](http://www.yachtdonations.org)

Phone: 727.579.1365

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