



**TITLE: REAL ESTATE GIFT ACCEPTANCE**

**DATE ADOPTED: 01/07/14**

**REVISIONS:**

**SIGNATURE OF BOARD SECRETARY:**

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**PURPOSE OF POLICY**

To provide guidelines that govern the acceptance of real estate gifts made to the foundation.

**Local Language**

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. All gifts of Real Estate will be reviewed by the Gift Acceptance Committee (GAC).

For gifts involving real property, staff will prepare the request and provide all information required by the Real Estate Checklist, as well as completing the Real Estate Questionnaire, for presentation to the Committee.

The GAC will review and make a recommendation regarding gift acceptance to staff. Appropriate staff will be invited to participate in the discussion.

If the Committee concludes that the gift would result in too great a risk for the NWF State College Foundation (hereafter, "Foundation") or that the Foundation cannot reasonably meet the investment objectives of the donor, then the request will be denied and no further action will be taken. If the Committee recommends gift acceptance, then all relevant information is forwarded to the Foundation Board of Directors for further review and to make the final decision regarding gift acceptance.

After Board approval, staff will notify the donor that his/her gift has been accepted. Once a gift is accepted, losses and/or expenses will be borne by the Foundation. In addition to the completed check list and questionnaire, gifts of real estate require the following documentation and information:

- a) Copy of the deed
- b) Copy of current property tax bill

- c) Preliminary title insurance report: A copy of any title information in the possession of the donor, such as the most recent survey of the property and a title insurance policy or title certificate, and a copy of a recent UCC search regarding personal property (if any) must be furnished.
- d) Copy of promissory notes, mortgage, deed of trust or other liens against the property: The donor must disclose to the GAC the existence of any and all mortgages, deeds of trust, restrictions, reservations, encumbrances, judgments, leases, options, right of first refusal, easements, mechanic liens and other limitations of record. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in very unusual cases where the fair market value of the interest of the GAC in the property net of all encumbrances is substantial, or where a separate agreement to pay any such encumbrances which might be charged to the GAC has been executed by a financially responsible party.
- e) If property is income producing, copy of P&L statement for past two years
- f) Summary of current insurance coverage
- g) Copies of correspondence with governmental authorities, tenants or prospective purchasers
- h) Current market analysis of property
- i) Reports on environmental risks: All proposed gifts of real estate, including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor's expense. The GAC may require that the donor sign an environmental indemnity agreement.

The Foundation should arrange for a physical inspection of the property and include a written copy of the inspection in the file.