

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

Policy number/name: 3.1 Real Estate Property Acceptance Policy

Issuing date: Unknown Effective date: Current (12/31/2008)

Policy approved by: Board of Trustees

Governance oversight by: Real Estate Committee

I. Revision history

Exact history is unknown. Policy is currently in effect.

II. Purpose of the policy/Policy statement

The goals of the real estate advisory committee of the board of trustees of the foundation are to (1) advance the university through gifts of real estate property, (2) assist the foundation to serve as the efficient conduit through which gifts of real estate property are received and liquidated and (3) protect the interests of the foundation.

In instances where real estate is gifted to the foundation, the real estate advisory committee shall determine and report to the foundation president, in advance of acceptance, important details including, but not limited to, unrelated business income tax implications, environmental analysis and toxic waste potential, debt associated with the gift, operations and maintenance expenses, and sale-ability of the property. If accepted, the real estate advisory committee shall provide guidance on operations and disposition of the property to resolution.

Note. The real estate advisory committee has been replaced by the real estate committee, a standing committee of the board of trustees.

II. Definitions

None stated.

III. Applicability

It is the general university practice to direct all gifts of real estate property through the foundation. Gifts of real estate which the university intends to keep for its own use or for income property may be received by and managed by the foundation or transferred to Georgia State University for management.

IV. Exceptions

None stated.

V. Detailed policy statement

A. All gifts of real estate property valued at **less than \$100,000** shall be accepted under the following policies:

1. The real estate property must be appraised by a certified, independent appraiser, if the value of the property is more than \$5,000. (This is the donor's responsibility per IRS regulations. An IRS Form 8283 must be completed and signed by a registered appraiser as well as by the foundation controller.)
2. A certified title examination must be performed and a title insurance binder obtained.
3. If the real estate property is anything other than residential lots and/or houses, the real estate advisory committee shall require:
4. A Phase I environmental survey prepared by an environmental engineer, indicating no further investigation is warranted.
5. If there are improvements on the property, an inspection is required to show the condition of the property, including an inspection for hazardous materials as noted above, along with an inventory of any accompanying personal property.
6. The real estate gift analysis form must be completed and required information obtained, including an on-site (visual) inspection for all property. Estimates of value, marketability and cost to sell or promote must be included. Potential problem areas must be noted such as undeveloped lots or recreational subdivisions, remote land with access problems, real estate in

blighted areas such as slums, high debt or properties subject to liens, overvalued real estate, restricted sales provisions or unbuildable land, limited partnership interest, and existing easements.

7. Acceptance or sale of property must be recommended to the executive committee of the Georgia State University Foundation by the foundation president and any two (2) voting members of the foundation real estate advisory committee.

8. Questions about values, title status, hazardous waste and/or property condition shall be resolved prior to acceptance by utilizing the real estate gift analysis form.

B. All gifts of real estate property valued at **\$100,000 or more** shall be accepted under the following policies:

1. The real estate property must be appraised by an MAI qualified, independent appraiser.

2. Under limited conditions, a majority of the real estate advisory committee may approve exceptions to this requirement by approving the use of no less than two (2) appraisals by certified, independent appraisers. (This is the donor's responsibility per IRS regulations. An IRS Form 8283 must be completed and signed by a registered appraiser as well as by the foundation controller.)

3. A certified title examination must be performed and a title insurance binder obtained.

4. If the real estate property is anything other than residential lots and/or houses, the real estate advisory committee shall require the donor to provide:

5. A Phase I environmental survey prepared by an environmental engineer, indicating no further investigation is warranted.

6. If there are improvements on the property, an inspection is required to show the condition of the property, including an inspection for hazardous materials as noted above, along with an inventory of any accompanying personal property.

7. The real estate gift analysis form must be completed and required information obtained, including an on-site (visual) inspection for all property. Estimates of value, marketability and cost to sell or promote must be included. Potential problem areas must be noted such as undeveloped lots or recreational subdivisions, remote land with access problems, real estate in blighted areas such as slums, high debt or properties subject to liens, overvalued real estate, restricted sales provisions or unbuildable land, limited partnership interest, and existing easements.
8. Acceptance or sale of property must be recommended to the executive committee of the foundation by the foundation president and a majority of the members of the real estate advisory committee.
9. Questions about values, title status, hazardous waste and/or property condition shall be resolved prior to acceptance by utilizing the real estate gift analysis form.

C. Restrictions

The gift must be for exclusive use of and under the control of the foundation. It is important for the donor of such gifts to understand that the item may be sold as soon as possible and that the foundation will file Form 8282 with the Internal Revenue Service.

Generally, all real estate must be donated fee simple with no restrictions such as requirements to maintain the property in "as is" condition or which have restrictive preservation covenants which would limit the real estate property's resale value. If restrictions are desired, donors should be encouraged to restrict the income or sale proceeds instead of the property because too often the intended use is not economically feasible. A donor's request that restricts the use of the real property will require the foundation to become involved in property management or contract with management firms. In either case, the cost of realizing the donor's intent may become a liability to the foundation or the University or may prove, over time, to be uneconomic or impossible to maintain.

HELP

People to contact

Position Title

Assistant vice president for development/chief financial officer of the foundation

Vice president for development/president of the foundation

Additional information and helpful resources

NCPG Counting Guidelines, 2nd Edition

CASE Management and Reporting Standards, 3rd Edition

Foundation policies

2.2 Gift Acceptance Policy Title II, Outright Gifts

2.4 Gift Acceptance Policy Title IV, Planned Gifts

Foundation procedures

3.1a Real Estate Gift Acceptance Procedure

3.1b Environmental Analysis Guidelines Procedure

3.1c Real Estate Marketing Procedure