#### Real Estate Gift Acceptance Policy

#### Sample Language

**Courtesy of Allen Thomas, JD, CFRE, CAP**

The College may accept gifts of real estate valued at not less than $100,000, including houses, condominiums, commercial properties, farm land, rental property, and undeveloped land, after a thorough review of the following factors (insofar as they may be relevant to the proposed gift):

1. usefulness of the property for College purposes;
2. marketability of the property;
3. existence of restrictions, reservations, easements, and/or other limitations;
4. existence of encumbrances, such as mortgages and mechanics liens;
5. carrying costs, such as property owner’s association dues, taxes, insurance, and other maintenance expenses;
6. potential costs of subsequent liquidation of the property; and
7. fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with Internal Revenue Service (“IRS”) standards.

The College will accept no gift of real estate that imposes restrictions as to timing of sale or parties to whom the real estate may be sold. Both a satisfactory title search and environmental audit conducted by a professional service are required prior to acceptance of a gift of real estate. The College shall secure the title search and appropriate environmental audits commencing with a Phase I environmental audit at the expense of The College which may be reimbursed by the Donor. When a trust is funded with real estate, these expenses will be charged to the trust.

The cost of preparing the deed conveying the real estate will be the responsibility of the donor. Real property taxes will be prorated between the donor and the College/trustee at the time of settlement. Real estate transfer taxes will be divided equally between the donor and The College/trustee at the time of settlement. Recording fees will be the responsibility of The College/trustee.

Donors are responsible for obtaining a qualified appraisal of the real estate to establish its value for purposes of determining their charitable deduction. When a gift value is used to determine payments to an income beneficiary or to establish the value of a pledge payment, The College may require an additional qualified appraisal to substantiate the fair market value of the gift. In this case, the fair market value will equal the average of the two appraisals. If the appraised values are not within a ten-percent range, a third appraisal may be required to determine a gift value, with the expense equally divided between the parties.

Holding costs and costs of liquidation of real property (such as real estate taxes, utilities, property insurance, routine maintenance costs, transfer taxes, appraisals, recording fees, legal fees, etc.) that have been paid by The College/trustee shall be charged against the fund or trust to which the gift is designated. In a unitrust, these expenses will be accounted for in the annual revaluation required by the trust agreement. All trust documents will clearly state these provisions as applicable.

A gift of real estate may take the form of a bargain sale.

Prior to review of a proposed gift of real estate, The College will require that the donor complete the Real Estate Acquisition Questionnaire below (See Exhibit A attached.). Furthermore, the Vice President of Advancement will complete the Real Estate Site Review Checklist below (See Exhibit B attached.).

Acceptance of all gifts of real estate requires the prior approval of the Gift Acceptance Committee and the Executive Committee of the Board of Trustees/Directors.

**EXHIBIT A**

**THE AMERICAN COLLEGE**

**Real Estate Acquisition Questionnaire**

**Gifts of Real Estate**

Name of

Donor(s):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Location of property:

2. Number of parcels and acreage:

3. Type of Property: \_\_\_\_ wooded; \_\_\_\_ open; \_\_\_\_ marshlands; \_\_\_\_ other

4. How long have you owned the property? What is the nature of ownership;

i.e. joint tenancy, tenancy by the entirety, tenancy in common, etc.?

5. Current zoning of the property (list any zoning restrictions):

6. List improvements (type of building(s), condition, type & date of construction, # of floors):

7. Proximity to commercial activity (type, location, and distance):

1. Describe the previous use of the buildings/property:

9. If property is residential, to your knowledge how long has it been used for residential purposes?

10. Improvements:

\_\_\_\_\_ Municipal Sanitary Sewer Line

\_\_\_\_\_ Municipal Storm Sewer Line

\_\_\_\_\_ Municipal Water Line

\_\_\_\_\_ Electrical Power

\_\_\_\_\_ Telephone

11. Access:

\_\_\_\_\_ Frontage on Town/City road

\_\_\_\_\_ Frontage on unimproved road

\_\_\_\_\_ Right-of-way over existing private road

\_\_\_\_\_ Right-of-way unimproved

\_\_\_\_\_ Land locked property

12. Date of last appraisal: Date \_\_\_\_\_\_\_\_\_\_\_ Value $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

13. Town/City assessed value $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_% FMV

14. Date of last assessment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15. Are there any unpaid taxes/attachments of the property? (If yes, please describe):

16. Is the property subject to mortgage? (If yes, please list current balance and date of borrowing including any subsequent borrowing after initial financing):

17. Current yearly operating expenses are:

Property Taxes $\_\_\_\_\_\_\_\_\_\_ (inclusive of all tax liabilities)

Insurance $\_\_\_\_\_\_\_\_\_\_

Electricity $\_\_\_\_\_\_\_\_\_\_

Heat $\_\_\_\_\_\_\_\_\_\_

Condominium/Homeowner Fees $\_\_\_\_\_\_\_\_\_\_

Road Maintenance $\_\_\_\_\_\_\_\_\_\_

Other $\_\_\_\_\_\_\_\_\_\_

18. Has the property recently been offered for sale? \_\_\_\_\_\_\_\_\_\_. If yes, how long has it been on the market? \_\_\_\_\_\_\_\_\_\_.

19. Do you wish to reserve any rights to this property? \_\_\_\_\_\_\_\_\_\_. If yes, explain:

20. Right-of-ways or easements on the property:

21. Potential or pending legal actions or claims:

22. What is the type of current use and zoning of the adjoining property of the tract being considered as a gift to The American College? Please describe:

23. Does the land have potential for development? \_\_\_\_\_\_\_\_\_\_ Please explain:

24. Has the property been known or suspected to have been used as a dumping site, either legally or illegally, for disposal of solid or chemical waste? \_\_\_\_\_\_\_\_\_\_. If yes, explain:

25. Any evidence or suspicion of asbestos-containing material or lead paint in the building(s)? \_\_\_\_\_\_\_\_\_\_. If yes, please describe:

26. Are there any known or suspected above ground or underground storage tanks on or near the property including fuel oil, heating oil, or gasoline? \_\_\_\_\_\_\_\_\_\_. If yes, please describe including distance from property:

27. Other structures and/or improvements on property (e.g., swimming pools, ponds, playgrounds, railroad tracks, etc.):

28. Proximity to landfill:

29. Explain if any of the following apply: wetlands, ponds, waterways, lakes, gorges, caves, wells, or other natural hazards:

30. If The American College sells the property, do you wish the proceeds from the sale to be used in any particular way?

Prepared by\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Donor

The American College is grateful that you are considering this generous gift. Please complete this form and return it to us with a copy of the most recent independent qualified appraisal, a copy of the deed, and any other pertinent information. Thank you for your assistance.

**EXHIBIT B**

**THE AMERICAN COLLEGE**

**Real Estate Site Review Checklist**

**Gifts of Real Estate**

Completed by the Vice President of Advancement

Phone # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Reason for Checklist \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account Name Account Number

Policy. The purpose of completing this Checklist is to perform a due diligence review of real estate prior to accepting title as fiduciary. Most of the information can be obtained from observations during a visit to the property and from conversations with the current owner. The objective is to discover conditions which may create potential liability, unanticipated expenses, or affect the marketability of the property. Photographs should be taken during the visit to supplement this report.

Owner: Donor/ Legal title holder:

Phone Phone # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gift Property:

Street Unit # City/Town Country State Zip Country

Land Area: (acres or sq.ft)

General Description:

Tax Cost Basis: Date of Purchase/Inheritance:

Mortgage Balance: Lender Terms

Estimated Fair Market Value: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Source

Real Estate Taxes:

Estimated $/per year

Assessed value: Building Land

Tax Parcel ID Number

Occupancy: State plans for continuing occupancy or removal of personal property:

Tenants: Provide a copy of lease(s) or summary of verbal understanding with tenant(s):

Accounting of rental payments:

Units One Two Three Monthly rent

Security-Deposit

Last month's rent

Arrears

Property Management Services: State name, address, and phone number of contractors used to maintain the property and an estimate of recurring costs:

Property manager

Carpenter/handyman

Landscaper

Heating/cooling

Snow removal

Security

Pool service

Total estimated monthly costs

Title: A title policy, or certified abstract of title sufficient for title insurance, will be required.

Describe any known rights of way, easements, restrictions, purchase options, etc. giving others rights in the property:

Book/Page: Certificate of Title:

Is a survey plan available?

Are the corners of the land staked with markers?

Does the land have legal frontage or an easement right to cross adjacent land for access?

If the land is undeveloped, what evidence exists to confirm that it can be built on?

Building Condition: Circle existing building components and note any unsatisfactory building conditions revealed in conversations with owner and/or visible from your inspection with the following:

Foundation: Poured concrete Concrete block Field stone Sump pump

Siding : Shingle Clapboard Brick Stucco Asbestos Vinyl Aluminum

Roof: Asbestos/Tar Shingle Woodshake Slate Metal Tar&Gravel Rubber

Plumbing: Copper Lead;

Waste: Iron PVC

Electrical: Volts 110 220; Amps 60 100 200; circuit breaker fuse

Heating System: Hot water\* Hot Air Steam\* Solar Electric Space heater Wood stove

Heating Fuel: Gas Electric Propane Wood Solar Oil (Important: UST ? )

Air Conditioning: Window units Central

Hot Water\*: Oil Gas Electric Propane Solar Tankless

Water Source\*: Municipal Well

Sewage disposal \*\*: Municipal Septic system

Swimming pool: Inground Aboveground Fenced

Fixtures included with house: Stove Refrig AC unit Chandelier Other

Garage: Separate Attached Cars: 1 2 3 4

Heat: yes no

Automatic door

Security: Burglar Fire Low heat sensor

Access: Code Special key

Policy. \*Domestic water and hot water heating systems should be drained during periods of freezing -weather. \*\*In certain states, a septic inspection and certification is required upon the transfer to or addition of new interested parties in the title.

Environmental:

Policy: For residential property, the necessity for a Phase I Environmental Audit shall be determined after reviewing the following responses. For property used currently or in the past for any commercial, industrial or other non-residential purpose, a Phase I Environmental Audit by a professional engineer shall be performed.

No Yes Don't Know

• The property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or other non-residential purpose.

• Stressed vegetation, unusual bare spots, oil sheens, unusual odors in standing water.

• Underground oil tank(s) or unexplained outside vent pipe or unused pipes in basement walls.

• Large electric transformers (PCBs)

• Previous tests indicating radon

• Lead paint (usually present in pre 1980 homes)

• Asbestos insulation

• Termites/carpenter ants/ other pests

• Urea foam formaldehyde insulation (installed in 1970s)

• Flood plain or coastal exposure

• Earthquake potential

• Extensive wetlands or drainage problems

• Endangered plants or wildlife

• Hazardous materials or debris stored on land

• Known chemical or oil spill on land

• Adjacent commercial or contaminated property

COMMENTS.

Questions? Contact

By: Date: