

## **Gift Acceptance Policy**

### **Subchapter: Gifts of Real Property**

The Boise State University Foundation, Inc. (“Foundation”) will consider gifts of real property such as improved or unimproved land, personal residences, farmland, second homes, commercial property, rental property, and mineral interests. All gifts of real property must be reviewed and approved by the Foundation’s Real Estate Committee (“the Committee”). In general, the Foundation’s policy is to dispose of all gifts of real property as expeditiously as possible so that the cash proceeds generated from the gift can be used to support Boise State University.

The purpose for this policy is to define the types of real property gifts that are generally acceptable and to outline the processes and procedures for evaluating and administering such gifts.

### **SECTION A**

#### **Procedures for Accepting Gifts of Real Property**

1. Donors wishing to make gifts of real property will contact the Executive Director of Gift Planning (“EDGP”) in the office of University Advancement. The EDGP will conduct an initial interview with the donor /property owner and make a site visit if geographically practical. If the property is located in a geographically isolated area, a real estate broker in that area can substitute for the site visit.

The EDGP will make the Chief Operating Officer (“COO”) of the Foundation aware of the opportunity. The COO is responsible for working with the EDGP to complete the Gifts of Real Estate Checklist (see Exhibit A) prior to submittal to the Committee for consideration.

2. The Committee will require the following information in order to make an initial determination:
  - Mortgage
  - Opinion of value
  - Copy of deed
  - Evidence of clear title
  - Assessed value and property tax bill
  - Plot plan
  - Zoning status
  - Identification of liens, encumbrances, restrictions, easements
  - List of ongoing expenses related to the property
  - Statement of annual income from leases or rentals
  - Written statement of environmental status

3. The COO will then submit the completed Checklist and substantiating documents to the Committee for consideration.
4. The Committee will determine whether or not to move forward and will define what additional diligence is required to make a final decision.
5. If the Committee agrees to proceed with further discovery, the donor will be required to provide the following:
  - Independent appraisal (within 60 days of the gift)

The Committee may ask the donor to provide the following:

- Preliminary Title Commitment
- ALTA Survey
- Phase I Environmental Study
  - a. Appraisal

The Foundation will require an independent appraisal to value the property. The cost of the appraisal is borne by the donor. The Foundation may elect to conduct its own appraisal to determine the real market value of the property.
  - b. Preliminary Title Commitment

Donor will be asked to provide a current preliminary title commitment (PTC) on the property, including copies of all documents shown as exceptions to title. Upon the transfer of real property to the Foundation, the Foundation should receive a policy of title insurance on an American Land Title Association (ALTA) form. Costs of the PTC will be borne by the donor.
  - c. Survey

Donor may be asked to provide a current survey.
  - d. Environmental Study

The Foundation may require a Phase One Inquiry and/or Assessment. If environmental risk factors exist, a qualified environmental consultant should be hired to conduct an environmental study. The present owner of the property is responsible for curing the problem. Examples of prior uses or concerns may include:

    - Hazardous waste
    - Polluted water, streams, ground water
    - Wetlands
    - Endangered species
    - Presence of asbestos
    - Underground fuel storage
    - Chemical or manufacturing plants
    - Printing or photo developing
    - Dumping
    - Dental office

- Dry cleaning business
6. The Committee will review the information gathered in the second phase of investigation and make a determination whether or not to accept the property. The Committee's recommendation to accept the gift will be presented to the Foundation board for final approval. The Committee may also recommend to the board that the property be accepted by a subsidiary LLC in order to reduce liability.

## **SECTION B**

### **Disposition and Administration of Gifted Property**

1. The Foundation may engage a broker to sell the gifted property on behalf of the Foundation. The Foundation COO will seek approval from the Committee to engage a brokerage service.
2. The Foundation COO working with the brokerage service may set the asking price for the property at or consistent with the appraisal value and accept an offer within a 10% range of the asking price. If the offered price is outside the 10% range, the COO will refer the offer back to the Committee for further discussion and decision.
3. Offer negotiations may include taking a promissory note, secured by a mortgage. The Foundation COO will refer all non-cash offers to the Committee for determination. Criteria the Committee may consider include amount of the note, time period, interest rate, and credit of the buyer.
4. The Foundation may quit claim deed gifted real property to Boise State University. [Reference Idaho State Board of Education Governing Policies and Procedures, Section V. Subsection I.]

## **SECTION C**

### **Internal Business Procedures**

1. Crediting and Counting Gifts of Real Property

For the Foundation's gift crediting and accounting purposes, the value of the gift of real property is the appraised value of the property. Donor shall receive a gift receipt for the donated real property.

2. IRS Forms

Form 8283 is required to be completed by the donor of donated property if valued over \$5,000. Form 8283 must include a signed declaration of professional appraiser with a description of the donated property and appraised fair market value. The Foundation COO shall sign the Donee Acknowledgment portion of form 8283 and provide to the donor.

Form 8282 will be completed by the Foundation COO if the Foundation sells, exchanges, or otherwise disposes of the donated property (or any portion) within 3 years after the date the Foundation received the property.