

St. Bonaventure University
Gift Acceptance Policy Statement
For Gifts of Real Property

Originally Adopted as an Expansion of and an Addition to
The Institutional Fund-Raising Policy as Contained in
Section V, Sub-Section 21, of the University's Governing Documents

by

St. Bonaventure University
Board of Trustees

June 14/15, 2002

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Real Property Gift Acceptance Policy

Purpose

The purpose of this document is to:
establish policies for the acceptance of gifts of real property.

General Statement of Policy

Many gifts received by St. Bonaventure University (SBU) are gifts of real property. All appropriate inquiries will be made concerning the condition of real property, including marketability, carrying costs, and environmental risks, prior to acquisition by SBU in any capacity. Most frequently, SBU markets gifts of real property, but the University may choose to acquire a gift of real property for its own use in furtherance of its mission. Proceeds from the sale of real property gifts are used for the charitable purposes specified by donors.

Non-Discrimination Policy

SBU will not discriminate nor condone discrimination in its real property activities. SBU will conduct all affairs in compliance with all applicable state and federal Equal Opportunity, Fair Housing, Equal Credit Opportunity, and other anti-discrimination laws.

Role of the Gift Policy and Acceptance Committee

Except for gifts of residential real estate, the Gift Policy and Acceptance Committee (GPAC) will consider all gifts of real property with a donor value in excess of \$25,000, both improved and unimproved (e.g., detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, acreage, etc.), including gifts subject to a retained life estate. University Advancement is authorized to accept gifts of residential real estate (single-family residences, condominiums and co-operative apartments) valued up to and including \$250,000. GPAC and University Advancement will analyze the following, among other things:

1. market conditions for resale or the ultimate disposability of the property;
2. the condition of any improvements located on the property;
3. current and potential zoning, land use, and concurrency issues;
4. any costs associated with holding the property for resale; and
5. other considerations specific to the acquisition of the property.

GPAC will review the proposed gift of real property only after a thorough review of the criteria for acceptance set forth above under the direction and supervision of its chairman. Gifts valued in excess of \$250,000 will be referred to the Board of Trustees for a final acceptance decision along with GPAC's recommendation.

Information Needed Prior to Acceptance

SBU must be informed of the following **prior** to its consideration of any gift of real property:

1. Market Value and Marketability. The University must receive a reasonably current appraisal (no older than 90-days prior to the gift) of the fair market value of the property and interest in the property SBU will receive if the proposed gift is accepted.
2. Limitations and Encumbrances. The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens and other limitations of record must be disclosed. 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 University's interest in the property net of all encumbrances is substantial.

3. Carrying Costs. The existence and amount of any carrying costs, including but not limited to property owners' association dues, assessments, country club membership dues and transfer charges, taxes and insurance, must be disclosed.
4. Title Information. A copy of any property or title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

Staff Site Visit and Analysis

For all real property interests to be received by SBU, the Vice President, Business and Finance, or the Vice President for University Advancement, or their designee, will inspect the real property. Inspectors will be required to complete informational questionnaires which will be reviewed by GPAC.

University Acquisition of Gift Property

Occasionally, the University for its own use and/or needs may consider a potential gift of real estate for acquisition. In those cases, and so long as the property is needed by the University for use in a manner which is related to its mission, the Buildings and Grounds Committee of the Board of Trustees will be charged with managing the acceptance of the gift.

A gift of real property designated by the donor to be liquidated and the proceeds used for a specific purpose (restricted) or for the University's general purposes (unrestricted), may be acquired by SBU for its own use provided the University acquires the property for its fair market value as of the date of its receipt. In these cases, the Board of Trustees must authorize the acquisition and the use of University funds for the acquisition. Further, in those cases where the donor's intent is to fund a specific purpose, the Board must designate that the funds used for the acquisition, from whatever source, will be for the benefit of the restricted gift purpose.

Environmental Requirements

No interest in real property, whether outright, in trust, by bequest, as a secured interest, or otherwise, will be accepted by or on behalf of SBU without first complying with the following:

1. An environmental Phase I audit shall be performed on every potential real property asset prior to acceptance by SBU. The environmental review will be performed by a person or firm approved by GPAC or its agent. Each environmental audit will be reviewed and approved by the Vice President Business and Finance and the Vice President for University Advancement. Exceptions to this requirement, for example as in the case of a gift of a condominium or a co-operative apartment, may be authorized by GPAC.
2. If the environmental Phase I audit indicates areas of significant concern, an additional investigation, including a Phase II, or Phase III audit, as recommended, will be performed by an approved consultant prior to acceptance of the real property. Even in cases where a Phase I audit is submitted, the University may require that the donor sign an environmental indemnity agreement.
3. If the above procedures disclose risk of liability, the real property will only be accepted with the approval of the GPAC and the Board of Trustees or its Executive Committee.
4. All SBU-paid contracts for environmental audits will be prepared and reviewed by SBU's legal Counsel.
5. In most instances, the donor will be required to pay for any assessments and audits. Exceptions will be considered on a case-by-case basis.

Special Gift Types

In addition to the above requirements, the following types of real property require additional consideration *prior* to acquisition:

Real Property Given to Fund Charitable Remainder Unitrusts

Real property will only be accepted to establish net income unitrusts or "flip trusts" for which SBU will serve as trustee or for which SBU is a 50% or greater beneficiary. IRS rules prohibit the acceptance of mortgaged property to fund charitable remainder unitrusts.

Real Property Given to Fund Charitable Gift Annuities

Since it is a violation of New York law, real property will not be accepted to fund charitable gift annuities.

Time-Share Units; Cemetery Plots; Mobile Homes and Mobile Home Lots

Time-share units, cemetery plots, mobile home lots, and mobile homes (which are not considered real property, but tangible personal property) will be considered for acceptance on a case-by-case basis.

Unsolicited Deeds

Unsolicited deeds will not be accepted. Upon the receipt of an unsolicited deed, University Advancement, through a Development Officer, will immediately notify the grantor (in writing) that the real property has not been accepted and will not be accepted until the requirements of this policy are met. The deed will be returned to the donor, along with a quitclaim deed from SBU, if necessary.

Exceptions to This Policy

Upon written request by the Vice President, Business and Finance or the Vice President for University Advancement, the Gift Policy and Acceptance Committee will consider exceptions to these policies and procedures on an individual basis after consultation with the President and Executive Committee of the Board.

Originally Adopted:

June 14/15, 2002