Idaho State University Foundation

Policy VI D Acceptance of Real Estate Gifts

1. Introduction

The Foundation may accept gifts of real estate, both improved and unimproved, in accordance with the guidelines outlined in this Policy. Unless specific Board approval is required by the guideline, deviations from these guidelines may be authorized by the Board Chair and/or the Board President with notification of the deviations given to the Executive Committee and the full Board at their next regularly scheduled meetings. In addition to the guidelines contained in this policy, the State Board of Education may from time to time make rules and regulations governing the acceptance or utilization of real estate. It shall be the responsibility of the Associate Vice President for University Development to ascertain that all such policies and rules are adhered to before the acceptance of any gift of real estate. Of course, rules or policies of the State Board of Education may not be waived except by the State Board of Education. Generally, the Foundation will attempt to sell any property received as a gift at a reasonable price, as reflected by the current market as soon as possible and normally within two years. However, all gifts of property will be reviewed on a case-by-case basis and may be considered for longer retention if market conditions warrant it or if the University might have a future use of the property. The Director of Finance shall present, in writing, a description of all real estate held by the Foundation and a summary of its current disposition at each regularly scheduled Board Meeting.

2. Guidelines

   a. The Foundation may require the following information in order to consider acceptance of a gift of real property:

      i. An American Land Title Association (ALTA) insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issued by a reputable title insurance company;

      ii. An appraisal, prepared in accordance with standards established by the Appraisal Institute, by a qualified appraiser;

      iii. A phase one environmental audit by a qualified engineer indicating that ownership will not expose the Foundation to environmental liabilities;

      iv. At the election of the Foundation, a market feasibility study for the property;

      v. ALTA survey of the property by a registered land surveyor;
vi. Evidence of compliance with the Americans with Disabilities Act (when applicable);

vii. A structural engineering report (when applicable);

viii. A review of leases (for income producing property);

ix. A disclosure statement for residential property (when applicable).

tax. A radon report (when applicable) issued by a qualified engineer.

b. Real estate encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by the Idaho State University Foundation or the University in its programs but only after all tax considerations have been fully explored and documented. All such exceptions must also have the approval of the Board and if material notification must be given to the State Board of Education.

c. Real estate gifts that will entail the Foundation operating a business should not be accepted without Board approval and, if material, notification provided to the State Board of Education.

d. Current State Board of Education policies also clearly require that: “Foundation controlled resources may not be used to acquire or develop real estate or to construct facilities for the University’s use without prior State Board approval. If determined in its best interests, the University will submit any proposal to use resources in the manner described herein to the State Board in accordance with State Board policies and procedures, and when appropriate, to the Idaho Legislature.”

e. Gifts of real estate are also subject to all applicable provisions of “Policy VI C Gift Acceptance” especially in regards to valuation, tax and legal matters and processes.

Date of Board Approval: September 24, 2010

Person responsible for the periodic review of policy and submitting proposed revisions to the Board for approval: Chair of the Development Committee

Date of Last Review June 2010