

GUIDELINES FOR THE ACCEPTANCE OF REAL ESTATE GIFTS

Thank you for considering a gift of real estate to The Columbus Foundation. It is our hope that we will be able to assist you in pursuing your charitable goals.

Every piece of real estate is unique. This fact requires us to make a case-by-case determination of whether we should accept a particular gift of real estate. Normally, it is our goal to sell the contributed real estate for its full fair market value as soon as possible after we receive it, and then to add the proceeds to the donor's fund for use in grantmaking to charities. Therefore, we review a proposed gift of real estate partly to determine the conditions under which we will be able to sell it. However, please understand that our need to conduct this review does not lessen our gratitude for your consideration of the Columbus Foundation as a vehicle for your charitable giving. Because of the time and resources involved in reviewing any gift of real estate, we first request that any proposed gift of real estate involve \$100,000 or more of equity.

To allow us to make a further determination of whether we can accept a donor's proposed gift, we then follow these guidelines:

- We request that the donor provide the location, or a plot map, of the property so that we can make a visual inspection of the site.
- We request that the donor provide copies of all leases, mortgages and other contracts affecting the property.
- We request that the donor contract and pay for a Phase I Environmental Assessment of the property so that we can be assured that the property is free of contamination and environmental hazards. The reason for this investigation is that the Foundation could be found liable for the costs of a clean-up under the environmental laws, even if the Foundation did not create the hazardous condition. If the Phase I Environmental Assessment indicates that environmental problems exist, an additional assessment or remediation may be required.
- The tax law requires that the donor obtain a "qualified appraisal" of the property. The donor will need this appraisal in order to claim a charitable income tax deduction on the donor's tax return for the year of the gift. The very specific requirements for a qualified appraisal can be found in the IRS regulations, or in IRS Publication 561, Determining the Value of Donated Property. (The Foundation would be pleased to provide you and your professional advisors with a copy of this publication.) Again, the requirement

of a qualified appraisal is imposed by the tax law—not by the Foundation—but it is helpful to the Foundation’s efforts to sell the property for the donor to share a copy of the appraisal with the Foundation. The donor, the Foundation and the appraiser all must sign the IRS Form 8283, which must be filed with the Donor’s tax return.

WE’RE HERE TO HELP!

Learn more about The Columbus Foundation by visiting us at www.columbusfoundation.org or in person at 1234 East Broad Street, Columbus, Ohio 43205. Please contact one of our Donor Services and Development officers by calling 614/251-4000 or e-mailing dsd@columbusfoundation.org.

- We request that the donor provide evidence of clear title to the property through a title insurance policy.
- We request that the donor sign an Indemnity Agreement to provide protection for The Foundation’s other assets. The need for this agreement arises from the fact that there may be expenses that will require a cash outlay on the part of the Foundation between the time the property is contributed and eventually sold, and a donor’s fund might not have enough liquid assets to allow The Foundation to cover these expenses. These expenses could include such items as taxes, insurance, maintenance, condominium charges, etc. Sometimes the proceeds from the sale of the property by the Foundation can be used to cover the Foundation’s expenses with respect to the property, but this is typically dependent on how quickly the property is sold after the gift.
- We request that the donor sign a recordable General Warranty Deed conveying the property to the Foundation. We also request that the donor provide an Exemption from Real Property Conveyance Fee Form, so that the Warranty Deed can be filed with the Auditor’s Office and Recorder’s Office of the county in which the property is located. In some cases, the services of an attorney or other professional advisor should be obtained.