

**THE GREATER CINCINNATI FOUNDATION  
POLICY AND PROCEDURE  
FOR POTENTIAL GIFTS OF REAL ESTATE**

Adopted December 4, 1996  
Revised November 9, 2007

**I. AUTHORITY TO NEGOTIATE**

The President and the Vice President for Advancement will have the overall authority to handle inquiries, negotiate with donors, assemble documentation, retain appraisers, surveyors, realtors and other technical consultants, and execute agreements on behalf of The Greater Cincinnati Foundation. Assuming such activities follow approved procedures and assuming such agreements are approved by the Foundation's legal counsel, this authority to act will not require review or further approval by the Board of Trustees.

**II. EVALUATION OF POTENTIAL GIFTS**

A. **Property and Report Form:** Upon initial inquiry, potential donors will be asked to complete a property inquiry form and return it to the Foundation with appropriate maps and documentation. (A sample form is included as Exhibit A).

B. **Liens, Mortgages and Encumbrances:** Property which is subject to liens, unpaid mortgages, deeds of trust, judgment liens, unpaid taxes or assessments, mechanics' liens or other encumbrances will be accepted only in exceptional circumstances and upon advice from the Foundation's legal counsel. If accepted, property which is subject to encumbrances will be evaluated as a "bargain sale" (a bargain sale is an arrangement whereby a donor offers property to the Foundation for an amount less than its current fair market value).

C. **Field Evaluation:** Following an offer of a gift of real estate, a member of the Foundation staff or an authorized representative will visit the property. A representative may be a local realtor or person as the President may deem appropriate. The purpose of the visit will be to determine the nature and type of the property and to identify any potential problems not evident from initially supplied information that would hinder or prevent the Foundation's sale of property.

D. **Market Evaluation:** Whenever practicable, arrangements will be made to have a realtor analyze the property to evaluate the existence of a market for such property. The President may, at his/her opinion, request that the donor provide such an evaluation from a realtor acceptable to the President.

E. **Expense Budget:** The Foundation's staff will prepare a budget outlining all the projected expenses associated with the acceptance of all proposed real estate gifts.

### **III. RESPONSIBILITIES OF THE DONOR**

A. The donor will be responsible for obtaining a qualified appraisal complying with IRS regulations for the purposes of establishing the value of the gift for federal income tax purposes, including the preparation of Form 8283 (“Noncash Charitable Contributions”) See Treas. Reg 1.170A-13(a).

B. The donor must obtain, at the donor’s expense, an environmental audit satisfactory to the Foundation. No property will be accepted if there is a likelihood of any liability which could attach to the Foundation as a result of its taking title to the property.

C. The donor must furnish the Foundation with evidence of title which shows that title to the property is free and clear except for current real estate taxes and restrictions of record which would not create any economic burden on the Foundation.

D. It is the donor’s responsibility to prepare the deed and other instruments which are necessary to transfer the property to the Foundation. All proposed transfer instruments must be reviewed by the Foundation’s legal counsel prior to acceptance by the Foundation.

E. Prior to acceptance of the property, the Foundation and the donor must agree in writing on arrangements for paying expenses associated with the property, such as commissions, real estate taxes, utilities, insurance, and maintenance costs. Generally, the Foundation will not advance funds for the payment of such expenses.

F. Donors will be encouraged to discuss contemplated bequests of real estate before finalizing their wills. Property that is bequeathed to the Foundation will be evaluated in accordance with this Policy and Procedure like all other gifts of real property.

### **IV. PROCEDURE FOR ACCEPTING REAL ESTATE**

A. After the requirements of this Policy and Procedure have been satisfied, the President will have the authority to accept or refuse a gift of real property.

B. The President may refuse any offered gift of real property that is judged not to be in the best interests of the Foundation.

C. Prior to or upon transfer of title to the Foundation, the donor and the Foundation will sign an agreement (approved by legal counsel) stating the terms of the gift, which shall specify that there are no restrictions on the Foundation’s right to use or convey the property.

D. The Foundation will not seek exemption from real estate taxes for real estate.

## **V. MARKETING AND SALE OF REAL ESTATE**

A. After accepting a real estate gift, arrangements will be made to sell the property through a qualified real estate professional.

B. While it is anticipated that in most circumstances the sale price will equal or exceed the appraised value of the property, the terms of the sale will take into account current market conditions, availability of financing and other factors. Any offer that is below 70 percent of the appraised value must be approved by the President and the Foundation legal counsel.

C. In the case of a sale within three years of the date of the gift, the Foundation will report the actual sales proceeds to the IRS on Form 8282 ("Donor Information Return").

## **VI. REAL ESTATE GIFTS BY BEQUESTS**

A. Upon becoming aware that the Foundation has been named to receive a gift under any Will that has been admitted to probate or any trust arrangement, the President will contact the executor, trustee, or other legal representative of the estate, and determine if the Foundation's gift consists of land or, if the Foundation is a residuary beneficiary of the estate, whether the residue passing to the Foundation will contain any land.

B. If the Foundation will or may receive land in satisfaction of the gift, the President will ask the executor, trustee, or other legal representative to conduct an environmental study similar to the one that the Foundation would require if it were to receive an inter-vivos gift. If the executor, trustee, or other legal representative has not made the study and if it does not do so, the Foundation should make its own study or decline to accept the gift.

## **VII. WHAT THE FOUNDATION WILL NOT DO**

A. Except in extraordinary circumstances, the Foundation will not pay for legal assistance, appraisals or other services on behalf of the donor.

B. The Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.

**THE GREATER CINCINNATI FOUNDATION  
CHECKLIST OF DESIRED ITEMS  
IN CONNECTION WITH CONSIDERATION  
OF ACCEPTANCE OF REAL ESTATE DONATION**

1. Exact legal name of donor and federal identification number.
2. Description of property (copy of deed).
3. Description of any buildings or other structures located on the land.
4. Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
5. Information regarding existing zoning status.
6. Information on all ingress/egress for the property.
7. Description of prior use of the property.
8. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
9. Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.
10. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
11. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
12. Copy of appraisal showing the fair market value of the property current within sixty days.
13. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
14. Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

**THE GREATER CINCINNATI FOUNDATION  
REAL PROPERTY INQUIRY FORM**

I. Owner(s) \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Property location \_\_\_\_\_  
\_\_\_\_\_

Land area (acres or sq. ft.) \_\_\_\_\_

Building area (sq. ft. each floor) \_\_\_\_\_

Zoning \_\_\_\_\_

Replacement cost of building \_\_\_\_\_

Current property insurance coverage \_\_\_\_\_

Date of acquisition/form of acquisition \_\_\_\_\_

Current cost basis (includes improvements) \_\_\_\_\_

Principal balance of mortgage \_\_\_\_\_ Current fair market value \_\_\_\_\_

Assessed value for real estate taxes \_\_\_\_\_

Real estate taxes \_\_\_\_\_

Land value \_\_\_\_\_ Building value \_\_\_\_\_

Most recent appraisal (date) \_\_\_\_\_ Appraised value \_\_\_\_\_

Appraiser \_\_\_\_\_

Occupancy status after transfer of title to charity:

- Unimproved (no buildings) \_\_\_\_\_
- Unoccupied (building, but no occupant) \_\_\_\_\_
- Occupied (building with occupants) \_\_\_\_\_

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

<b>II.</b>	<b>Title/Zoning</b>	<b>Yes</b>	<b>No</b>
	A. Title	_____	_____
	B. Zoning variances, violations or special permits	_____	_____
	C. Zoning violations	_____	_____
	D. Restrictions or easements	_____	_____
	E. Survey available	_____	_____
<b>III.</b>	<b>Condition of Building</b>	<b>Yes</b>	<b>No</b>
	A. Foundations/slab	_____	_____
	B. Basement water/dampness/sump pump	_____	_____
	C. Roof leaks	_____	_____
	D. General structural	_____	_____
	E. UFFI (formaldehyde insulation)	_____	_____
	F. Asbestos	_____	_____
	G. Lead paints	_____	_____
	H. Termites/ants/pests	_____	_____
	I. Swimming pool	_____	_____
	J. Radon	_____	_____
	K. Building systems	_____	_____
	1. Plumbing	_____	_____
	2. Electrical	_____	_____
	3. Heating	_____	_____
	4. Air conditioning	_____	_____
	5. Hot water	_____	_____
	6. Water supply	_____	_____
	7. Sewage; type	_____	_____
	8. Other fixtures	_____	_____
<b>IV.</b>	<b>Rental/Condominium/Cooperative</b>	_____	_____
	A. Building systems	_____	_____
	1. Leases	_____	_____
	2. Rental arrears	_____	_____
	3. Last month's rent/security deposit	_____	_____
	B. Common area fees in arrears	_____	_____
	C. Building or sanitary code violations	_____	_____
	D. Operating/capital budget	_____	_____
<b>V.</b>	<b>Environmental</b>	<b>Yes</b>	<b>No</b>
	A. History of property	_____	_____
	1. Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes	_____	_____
	B. Condition of property	_____	_____
	1. Stressed or denuded vegetation or unusual barren areas	_____	_____
	2. Discoloration, oil sheens, or foul/unusual odors in water	_____	_____
	3. Storage drums	_____	_____

- 4. Above or underground storage tanks; vent or filler pipes \_\_\_\_\_
  - 5. Evidence of oil or other chemicals in soil \_\_\_\_\_
  - 6. Evidence of PCBs \_\_\_\_\_
  - 7. Evidence of toxic air emissions \_\_\_\_\_
  - C. Adjacent properties
    - 1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above \_\_\_\_\_
  - D. Flood plain/wetlands/drainage \_\_\_\_\_
  - E. Endangered plants or wildlife \_\_\_\_\_
- Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer? \_\_\_\_\_

**VI. Property Expense Budget**

To hold this property as a Foundation asset, the following income and expenses are anticipated:

- |    |                                       |               |
|----|---------------------------------------|---------------|
| A. | Income                                | <b>Annual</b> |
|    | 1. Rent                               | _____         |
|    | 2. Other                              | _____         |
| B. | Expenses                              | _____         |
|    | 1. <u>Real estate taxes:</u>          |               |
|    | First payment due _____ (date) _____  |               |
|    | Second payment due _____ (date) _____ |               |
|    | 2. <u>Utilities:</u>                  |               |
|    | Gas                                   | _____         |
|    | Oil                                   | _____         |
|    | Electric                              | _____         |
|    | Water/sewer                           | _____         |
|    | Other                                 | _____         |
|    | 3. <u>Services:</u>                   |               |
|    | Caretaker/property manager            | _____         |
|    | Landscaping                           | _____         |
|    | Heating/cooling service contract      | _____         |
|    | Snow removal                          | _____         |
|    | Pool services                         | _____         |
|    | Common area charge (condominium)      | _____         |
|    | Security                              | _____         |
|    | Other                                 | _____         |
|    | 4. Maintenance/Repairs                | _____         |
|    | 5. Insurance                          | _____         |

Total Expenses

Net Income (Loss)

VII. Additional Information on Sections II through VII

VIII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

\_\_\_\_\_  
Owner

Date \_\_\_\_\_

\_\_\_\_\_  
Owner

Date \_\_\_\_\_

Please return to:

The Greater Cincinnati Foundation  
200 West Fourth Street  
Cincinnati, Ohio 45202-2775