

The Community Foundation of Mount Vernon & Knox County Real Estate Gift Acceptance Policy

Adopted December 8, 2004

The Community Foundation of Mount Vernon & Knox County invites proposals for the contribution of real estate and other marketable property, and will generally base the acceptance of such gifts on the following criteria. Foundation directors understand that every potential gift of real estate or property is unique, and therefore reserves the right to deviate from these policies whenever the interests of the Foundation and donor may be better served.

1. Real property generally will be accepted as a gift only if the Foundation is free to do whatever it chooses with the property. In most cases, the Foundation will attempt to dispose of the property within one year. The Foundation reserves the right to sell donated real estate for what it deems to be an appropriate value.
2. 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).
3. Following an offer of a gift of real estate, a member of the Foundation staff or an authorized representative of the Foundation will visit the property. A representative may be a realtor or other person, or persons, the board of directors deems appropriate. The purpose of the visit is to determine the nature 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 the property.
4. The donor will be responsible for obtaining a qualified appraisal complying with IRS regulations for the purpose of establishing the value of the gift for federal income tax purposes, including the preparation of Form 8283 ("Non-cash Charitable Contributions"). The Foundation will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction. However, if the Foundation accepts the gift of real property and within two years sells the property, it will file IRS Form 8282 ("Donor Information Return") informing the donor and the IRS of the amount for which the property sold.

5. Prior to acceptance of real property as a gift, the Foundation and donor will agree in writing with respect to all fees and expenses associated with the conveyance of the property including but not limited to, commissions, transfer taxes, assessments, insurance, environmental evaluations and closings costs. Generally, the Foundation will require evidence of title in the form of an owners policy of title insurance, a survey if necessary to transfer ownership or to identify property boundaries, a Phase I environmental assessment, and a general warranty deed prepared at the cost of the donor which contains appropriate environmental indemnification language, if necessary or appropriate. The Foundation may also require an affidavit with respect to all off record matters such as mechanics liens and unrecorded easements as is customary in Knox County, Ohio.

6. Standard Foundation administrative fees will be assessed and deducted from any income generated from the property, or from the principal resulting from the sale of such property.

7. Before acceptance of real property as a gift to the Foundation, the Foundation will evaluate the costs associated with ownership of the property, such as insurance and taxes, existing liabilities and contracts, contingent liabilities and the unrelated business income tax, to determine whether acceptance of the gift is in the best interests of the Foundation.

8. Every proposed gift of real estate (including any real estate devised to the Foundation or any gift made through a trustee bank) will be reviewed and evaluated in accordance with these guidelines by the appropriate Foundation staff, the Foundation chair and Foundation legal counsel prior to presentation to the Board of Directors for acceptance or refusal of said gift.

9. In considering gifts of a remainder interest in properties, the Foundation will follow the above guidelines for acceptance of fee title to real property. The donor pays for the appraisal and all transfer fees and costs. The gift value and anticipated value of property at the end of the life tenancy will be calculated by the Foundation when the gift is made. There should be reasonable expectation that the property can be sold within one year of the death of the donor or life tenant. The Foundation will take into consideration the potential use of the property during the life tenancy, to avoid accepting property that may become a liability in future years.

Accepted by the Community Foundation of Mount Vernon
& Knox County Board of Directors, December 8, 2004.

Robert L. Rauzi, Secretary