California Polytechnic State University

Real Estate Gift Acceptance Procedures

**Purpose.** These Procedures are intended to support decision-making regarding possible gifts of real estate, as permitted by Cal Poly’s Gift Acceptance Policy. The Procedures assist management to address critical questions, such as whether the property is useful or marketable, the nature of any restrictions or limitations on the use or valuation of the property, and the existence of any environmental issues. Generally, Cal Poly and its auxiliaries will not accept property that cannot be sold in the future.

1. Prior to acceptance
   a. Duty of Advancement Officer
      - A Real Estate Fact Sheet/Gift Proposal must be completed, along with a physical review of the property by a Cal Poly representative.
   b. Duties of Cal Poly Flex Team
      - A title information search must be completed.
      - An environmental inspection must be performed.
      - If the real estate includes structures, a civil, seismic or structural evaluation may be performed.
      - An appraisal and market analysis will be performed. Two reports are required for any property with value exceeding $1 million. Market analysis must identify current zoning, recent market comparable properties, a suggested listing price with expected sale price, and current time-on-market for comparable properties.
      - Determination of costs and liabilities associated with retention of the property until sale.
      - Should there be carrying costs associated with the property, then a funding source must be identified.
      - Confirm that the proposed gift complies with real estate gift guidelines stated in the Cal Poly Gift Acceptance Policies (http://policy.calpoly.edu/).
      - Provide a written recommendation to the Gift Acceptance Committee.
   c. Duties of Gift Acceptance Committee
      - Based on analysis of the Flex Team, approve or decline acceptance.
      - Additional information may be sought as needed from the donor, outside professionals, and volunteers.

2. After acceptance
   a. If the donated property is intended for sale, then the property will be listed for sale as soon as reasonably possible.
b. If the donated property is intended to support a charitable trust, the trust must be initially created as a net income unitrust, then “flip” to a standard unitrust upon sale of the property.

c. If the donated property is intended to fund a charitable gift annuity (CGA), this must be established as a deferred CGA to allow time for sale of the property.

d. Donated property cannot be used for participation in a Cal Poly pooled income fund.

e. Cal Poly or its agent will manage the property until sold or used to fund a charitable trust trusteed by another person or organization.

f. All donated real property held by Cal Poly will be evaluated at least annually to determine whether Cal Poly should liquidate or continue to hold the property based on factors which may include:
   i. Compliance with donor objectives;
   ii. Current Cal Poly needs;
   iii. Changes in estimates of revenue, gains, expenses and returns;
   iv. Changes in liabilities associated with the property.