
2231 GIFTS OF REAL ESTATE

Effective: March, 2010
Revised:
Last Reviewed: April, 2018
Resp. Office: Treasurer
Approval: Treasurer

PURPOSE

Efficient and cost-effective review of proposed gifts of real estate interests to the University of Pennsylvania.

POLICY

The University will review all proposed gifts of real estate interests submitted by a Development Officer to the Office of Gift Planning. The Real Estate Gift Acceptance Committee ("REGAC") will review all proposed gifts. REGAC is comprised of a designated representative from each of the following University departments: Development and Alumni Relations (DAR), Office of Gift Planning (OGP), Finance and Treasurer (Treasurer), Office of the General Counsel (OGC), and Facilities and Real Estate Services (FRES) (as needed). Upon completion of its review, REGAC will recommend final acceptance or rejection of the proposed gift. It is the University's policy to dispose of all gifts of real estate as expeditiously as possible, unless the property is specifically identified for acquisition in the Campus Master Plan.

Gift Types

Real estate interests may be accepted in six potential gift structures:

- Outright gift of the entire property
- Undivided percentage interest
- Bargain sale
- Charitable remainder unitrust with a "flip" provision
- Deferred Charitable Gift Annuity
- Retained life or term estate

Minimums

Gifts of real estate interests should meet minimum net value thresholds to the University to merit consideration for acceptance:

- \$100,000 for gifts of property in the United States
- \$200,000 (US) for gifts of property outside the United States

For outright gifts, the minimum net value will be determined by the property's fair market value. For life income gifts, the minimum net value will be the calculated charitable deduction value.

Timing

REGAC will review proposed gifts of real estate subject to the following time constraints:

- Proposed gifts presented after October 15 cannot be guaranteed to be accepted in the current calendar year
- Proposed gifts presented after December 1 will automatically be reviewed in the following calendar year

Prospective donors should be informed of these time constraints in advance of the gift review process. All efforts will be made to complete the review and decision process in a timely but thorough manner.

Gift Credit

Outright gifts of real estate interests will be counted for crediting purposes at their fair market value. The fair market value will be determined by a qualified appraisal provided by the donor. The University reserves the right to obtain its own appraisal in the absence of a donor appraisal, or if the donor appraisal is deemed unreasonable. The University reserves the right to adjust the gift credit to the net sale proceeds within three years of the gift date. For life income gifts, gift credit will be determined by the University's policy for life income gifts, which allows a credit for the calculated charitable deduction of the gift.

Receipts

Receipts issued by the University's Treasurer will have no value stated for gifts of real estate interests. The receipt will describe the property and the date of the gift.

Support

REGAC will be responsible for maintaining all documentation in support of this Policy, including but not limited to:

- *The Real Estate Gift Acceptance Process*
- *Procedures for Accepting Gifts of Real Estate*
- *Value Guidelines for Real Estate Gifts*
- *Allocation of Expenses Related to Gifts of Real Estate*
- *Preliminary Property Intake Form*

Please contact the Office of Gift Planning for copies of these related documents.