

## **Mid-Atlantic Christian University Institutional Advancement Policy 6**

SUBJECT: REAL ESTATE GIFTS

DATE: September 24, 2002

REVISED: September 2013

REVIEWED: APRIL 2020

NEXT SCHEDULED REVIEW: This policy will be reviewed by the Director of Institutional Advancement in February of even-numbered years (February 2022).

APPROVED BY BOARD OF TRUSTEES: October 18, 2013

Policy for: Institutional Advancement Division, Mid-Atlantic Christian University  
Procedure for: DIA, Mid-Atlantic Christian University. The Vice President for Finance will support as requested by DIA.  
Authorized by: DIA, Mid-Atlantic Christian University  
Issued by: Board of Trustees

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### I. Purpose

The purpose of this policy is to describe the actions necessary when Mid-Atlantic Christian University receives a gift of real estate, to protect MACU from unintended consequences such as lawsuits or environmental liabilities.

### II. Policy

All gifts of real estate must be subjected to a due diligence process and approved by the Executive Committee of the MACU Board of Trustees before they may be accepted by Mid-Atlantic Christian University. The Director of Institutional Advancement (DIA) is responsible for gathering the information needed to support due diligence.

The University will be careful not to place a value on the gift, but proper due diligence requires an estimation of value to assure accurate accounting. Should a discrepancy arise between the appraised value and the value attributed by the donor, the University must accept the appraised value when booking the asset and notify the donor.

### III. Procedure. The due diligence process will include at least the following analyses.

1. A reliable and independent estimate of the value of the real estate. For complex

properties this may require an appraisal by a certified and appropriately licensed appraiser.

2. Analysis of the impact of any restrictions the donor may impose, such as permitted or required use, or disposition.
3. Ensure there are no restrictions or limitations attached to the gift that would impose financial or management stress on the University. Such conditions might include such things as specified holding periods, use of property, or any feature that might have negative impact on financial ratios followed by government agencies and/or accreditation bodies.
4. There are no environmentally related situations that could cause the University financial burdens (i.e., accepting property with toxic waste). If unsure as to possible environmental concerns, the university may choose to have a Phase 1 Environmental Site Assessment conducted prior to accepting the property.
5. There are no zoning, covenants, or other legal conditions that would restrict MACU from using the property in the way it desires.
6. There are no components of the gift that would bring embarrassment to the University or that would be inconsistent with the university's mission.

IV. Published: Policy Manual; MACU public website, Gifts tab

V. Reason for Revision

VI. Appendices: None