

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION

GIFT¹ ACCEPTANCE POLICY

Theological Introduction

The teachings of Jesus and all of the Holy Scriptures promote stewardship as fundamental to our Christian faith. Our Judeo-Christian heritage leads to an understanding of stewardship as the responsible gratitude and relationship of trust for all of God's many blessings. A faithful response to this mandate includes a commitment to the highest ideals of stewardship by all parties to charitable giving, including the donor as well as the recipient ministry. In order to ensure that such ideals are pursued for all gifts to be received, whether as donee or trustee, GCFA commits itself to the responsible administration of all prospective gifts. GCFA understands this commitment to include careful examination of the actual condition, use and benefits of the gift taking into consideration all legal, ethical and practical aspects. GCFA understands these considerations to be necessary steps toward the fulfillment of its own stewardship commitments, as well as those of the prospective donor. It is from this foundational understanding of stewardship, that GCFA adopts the following policy.

I. General Principles

GCFA seeks to support the mission of the United Methodist religious denomination and related organizations by developing financial resources and receiving and holding financial assets. This Gift Acceptance Policy is designed to facilitate the acceptance of gifts and the fulfillment of *Disciplinary* directives.

The following principles guide the acceptance and administration of gifts to GCFA and the Church:

- To work to make all gifts possible, within the strictures of law, tax regulations and GCFA policies;
- To make resources available over time for the mission of The United Methodist Church, while upholding the purposes of GCFA as set forth in the *Book of Discipline*;
- To honor the intent of the donor;
- To protect the assets entrusted to GCFA;
- To accept only property free of liens and encumbrances; and
- To accept gifts that GCFA can effectively administer.

¹ The term "gift" applies to gifts made *inter vivos*, testamentary, through trusts or by any other means.

II. Terms and Definitions

For purposes of this policy, terms are defined as follows:

The United Methodist Organizations: Bodies within the organizational structure of the United Methodist denomination including local churches, districts, annual conferences, the General Conference, the general agencies, the Council of Bishops and organizations affiliated with such bodies.

Related Organizations: Organizations related to the United Methodist denomination by historical or governance ties, or by the *Book of Discipline*.

GARC: The Gift Acceptance Review Committee of GCFA, which shall consist of a staff representative of Financial Services, Legal Services, and the United Methodist Church Foundation. GARC will serve to initially receive and process gifts.

GCFA Property Services Committee: GCFA's Property Services Committee as detailed in GCFA bylaws.

Tax Exempt: Exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or other applicable section of such Code.

UMC Foundation: The United Methodist Church Foundation

III. Acceptance

A. Within the guidelines set forth below, GCFA is authorized to accept gifts from individuals, estates, and organizations:

- On behalf of The United Methodist Church, GCFA, general agencies and as successor of the Board of Trustees of the Methodist Episcopal Church and other entities as set forth in the *Book of Discipline*;
- To establish or expand permanent funds and endowments;
- To be received and paid out by GCFA to qualified United Methodist charitable organizations or other proper charities;
- As directed by this Gift Acceptance Policy.

B. These gifts may take the form of:

- Cash and checks, including distributions from third-party administered estates;
- Marketable and closely-held or thinly traded securities;
- Real estate and interests in real estate;
- Tangible personal property;
- Other forms of property.

- C. Any charitable beneficiary organization must, at all times while the gift is administered, be qualified as tax-exempt, and must have a mission that is consistent with The United Methodist Church Social Principles. The purpose of the gift must be consistent with the theological beliefs of The United Methodist Church.

IV. Gifts and Acceptance

GARC is authorized to accept gifts for the benefit of GCFA, The United Methodist Church and related organizations subject to this policy and related procedures. Gifts of monies, stocks, bonds and other marketable securities are to be received by GCFA through GARC and notifications of such gifts will be made to the Property Services Committee. If GARC determines that any concerns, conditions or restrictions exist that may raise a question about the advisability of acceptance, the Property Services Committee, or subcommittee thereof, shall be authorized to review and act. Should further review or authority be needed, the GCFA Executive Committee will be consulted. Attached as Exhibit A to this Policy are Real Estate Procedures. This set of procedures, and any other procedures as shall be adopted from time to time, shall be used to govern the acceptance of gifts. When an exception to such procedures is requested, acceptance will be evaluated by the Property Services Committee, or a subcommittee thereof, and reported to GCFA at its next regularly scheduled meeting. The GARC is directed in most instances, absent donor direction or other good reason, to convert non-cash gifts into cash and to allow the GCFA Investment Committee to place those cash funds with the UMC Foundation or otherwise as it deems appropriate.

V. Records and Reporting

Accounting records will conform to the requirements of generally accepted accounting principles, as recommended by the Financial Accounting Standards Board and GCFA's external auditors. Supporting documents will be filed with the Internal Revenue Service and other regulatory bodies as required or appropriate for each gift accepted. GCFA's legal services will maintain physical files of all gifts and the files shall contain at least probate papers and the will of an estate.

VI. Notifying Financial Services

As set forth above, GARC will notify GCFA's Financial Services Department as early as possible prior to acceptance of the gift, so it may be added to insurance coverage.

VII. Commitment to Donor Directions

It is the intention and commitment to comply with the legal intent and directions of donors. In the event that GCFA is unable to comply with such wishes and directions, GCFA will seek reformation, if possible. If reformation is not possible, the assets will be transferred to assure compliance with such wishes and directions or to identify an alternate use which will comply with the original wishes and directions of donors.

VIII. Donor Relations & Ethics

GCFA representatives will urge prospective donors to have the terms of proposed gifts reviewed by legal and financial advisers to give added assurance that the donor's interests are protected and that GCFA can effectively administer the gift or bequest in accordance with the donor's wishes.

It shall be the presumption that a donor, or their authorized representatives, permit public announcement of a gift. If a donor indicates a desire for anonymity or confidentiality, such requests should be made in writing and GCFA will hold all gift and investment information in confidence. GCFA will make its complete files available on request, as required by law, and to its own auditors. GCFA is not obligated to inform the donor of such requests for information. All other requests for information will be honored only if the donor, or their authorized representatives approve, in writing, the release of information, or if a court has issued an order to GCFA to that effect.

IX. Fees and Services

It is the intent of GCFA to fulfill its *Disciplinary* directives without addition of acceptance fees or costs. However, in the case of a gift of personal property requiring non-standard administration, fees and costs may be imposed according to a schedule adopted by the Property Service Committee (PSC), with exceptions to be approved by PSC. Further it is understood that if GCFA has chosen to use The UMC Foundation to work with donors, manage the gifts and provide other services, the UMC Foundation may develop and present to GCFA a reasonable fee structure.

Policy Adopted: September 2003

Last Revision Adopted Date: November 2005

**Gift Acceptance:
Real Estate Procedures**

The General Council on Finance and Administration of The United Methodist Church

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**THE GENERAL COUNCIL ON FINANCE AND ADMINISTRATION
OF THE UNITED METHODIST CHURCH**

Real Estate Policies & Procedures

Introduction

The General Council on Finance and Administration (GCFA) recognizes the abiding value of real property as an asset suitable for charitable giving, and the specific concerns and risks that relate to acceptance of gifts of real property.

GCFA has determined that real property is an acceptable contribution provided that certain conditions are met. This Real Estate Procedures document is the supplement to the GCFA Gift Acceptance Policy. It outlines how authorization is made for acceptance of real estate gifts and bequests. Considerations regarding environmental risk containment, marketability and legality always must be reviewed. To the greatest extent possible, the property should be free and clear of liens and encumbrances. It is the policy of GCFA not to be a long term holder or manager of real property received as gifts and bequests.

The principles of the Gift Acceptance Policy will govern this document. Any material deviation from the Real Estate Procedures will be approved by the Property Services Committee and disclosed to GCFA.

STATEMENT OF PURPOSE:

All real estate gift proposals will be presented to the Gift Acceptance Review Committee (GARC) for review and acceptance.

GARC will review proposed gifts of real estate, tangible personal property, closely held stock, and restricted stock, as well as issues of United Methodist Church relatedness, variation of published fees, present value of charitable remainder interest, gift minimums and other issues deemed by a senior management staff member to merit such review. While it is not the usual policy of GCFA to do this, exception may be made if GARC deems it warranted. Regarding gifts of real property, GARC will review the gift value, environmental risk, charitable beneficiaries, investment conditions and the proposed gift plan. When deemed appropriate, GARC may submit gift acceptance decisions and contingencies to the Property Services Committee (or a specially named task group thereof).

MEMBERSHIP:

The Gift Acceptance Review Committee consists of the following:

- An Administrative Department representative
- A Legal Department attorney
- A Risk Management representative
- A UMC Foundation development representative

LIST OF RESPONSIBILITIES

GARC is charged with processing all proposed gifts to be accepted by GCFA. Following is a list of responsibilities associated with the acceptance, administration and disposition of all real property gifts:

- Review the gift application for compliance with all GCFA policies.
- Analyze the marketability of the property.
- Review the appraisal.
- Notify the Legal Department of gift status so work may begin on any applicable trust documents.
- Notify the Donor when all acceptance contingencies have been satisfied.
- Provide IRS Form 8283 to the Donor.
- Provide a copy of IRS Form 8282 to the Donor, as appropriate.
- Review all deeds to ensure title is transferred to GCFA, as appropriate.
- Notify the GCFA Controller, the Risk Management and Administration Services Departments of all acquisitions and sales.
- Determine if the property will be sold with a local broker and complete the listing agreement.
- Manage the property until it is sold.
- Negotiate the final sales price.
- Coordinate the closing and other activities related to the ultimate disposition of the property.
- Present information on gifts to the Property Services Committee.
- Maintain the record of Property Services Committee actions and prepare a report of all transactions to the Board of Trustees.
- Send “thank you” note to Donor.
- Notify county regarding change in property tax status to non-profit.

ADMINISTRATIVE POLICY FOR PROCESSING REAL PROPERTY GIFTS

The first step by a GCFA staff person or UMC Foundation staff person or other representative should be to make an appointment with the Donor to review the proposed gift and view the real estate to determine the general condition of the property. It is important to discuss with the Donor, the need for an appraisal in order to substantiate the value of the gift and the charitable deduction for the Internal Revenue Service. A property inspection checklist and preliminary environmental risk review form should be completed with the Donor.

Legal Qualification

As it is the policy of GCFA to accept only properties which are free and clear of liens and encumbrances, it is typically the Donor's responsibility to provide clear title to the property, preferably evidenced by title insurance. Title insurance certifies ownership by the Donor, states whether the property is held in fee simple, and notes any exceptions which may interfere with the transfer of the property. Other items covered in the preliminary title report or commitment include taxes, zoning, restrictions, easements, assessments, the tax assessor's market value, the legal description of the property and whether there are mineral interests or other reservations of record. The Legal Department will review all title insurance policies provided by the Donor and seek removal of any exceptions prior to GCFA accepting title to the property. Title insurance must be obtainable for all real property proposed as a gift to GCFA and will be obtained by GCFA prior to transfer of title.

Gift Plans

It is intended that GARC will consult with the The UMC Foundation on any and all gift plans, including gift annuities funded by real estate, gifts of interest in a personal residence or other special gifts.

Marketability

GARC will gather the information necessary to determine whether a proposed gift is marketable. To that end, GARC will contact at least two real estate companies in the area where the property is located to obtain market analyses for the subject property. If feasible, three analyses will be obtained.

A market analysis should contain information regarding the recent sales history of comparable properties, the suggested listing price of the subject property, and an analysis of the length of time GCFA may expect the property to be on the market. In certain circumstances, a property inspection report may also be obtained.

The final step in ascertaining whether a property is marketable is obtaining the appraisal of the property from the Donor, prepared by a licensed or certified appraiser, which contains a fair market valuation of the property.

Appraisal

For the Donor, IRS regulations require that the value of a non-cash gift be substantiated by an independent appraisal. The regulations further state the appraisal must be made not earlier than 60 days before the date the property is contributed. In the case of a real property gift to GCFA, this translates to no more than 60 days prior to recording the deed and transferring the title to GCFA. A summary of this appraisal must be included with the Donor's income tax return on IRS Form 8283, signed by the appraiser, indicating the appraisal date, with an appraised value, and a copy must be submitted to GCFA.

Environmental Concerns

Language for donor gifting of property relating to environmental concerns is attached as Exhibit A. When selling property, there should also be consideration of what representations are made. (Sample language that a buyer may request or require is attached as Exhibit B.) When possible, GCFA should avoid making representations as contained in this Exhibit B. With the adoption of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as a federal statute, liability for violations of environmental statutes has increased. In many instances, current and prior owners may be held liable for environmental clean-up costs. Therefore, an environmental assessment by an independent environmental engineer or consultant (a non intrusive Phase I Environmental Audit) will typically be ordered by GCFA. By definition, a Phase I audit is a general assessment of the site and identifies actual or potential environmental risks.

Transferring Title

The proposed gift is entered on the Real Estate Log maintained by staff on behalf of GARC. Upon receipt of the appraisal, (appraisals should whenever possible contain highest use and potential analysis and evaluations) the commitment for Title Insurance and a Phase I Environmental Report are ordered. On occasion, the Title Commitment and Phase I Report may be ordered prior to receipt of the appraisal.

Upon receipt of a clear title report and favorable environmental report, the Donor will be advised in writing:

- a. that the gift has been approved as the contingencies established by GARC have been satisfied;
- b. that the Federal 8283 tax form must be completed and returned;
- c. that the Donor should contact an attorney to have the deed(s) prepared for review by the Legal Department; and
- d. of the manner in which GCFA will take title.

This letter, as with any correspondence requiring action on the part of the Donor, is copied to the staff or The UMC Foundation development officer (if possible, it is faxed) at the time it is mailed to the Donor.

After execution of the Agreement and satisfactory receipt of all pertinent documentation, the Legal Department reviews and, when the deed(s) are deemed satisfactory, advises the Donor to record the deed(s) with the appropriate recording authority and have the original returned to GCFA. The Legal Department should be notified the day the deed is recorded (verbally, if necessary). Ownership is transferred to GCFA on that date, and the Risk Management Department must be notified simultaneously to insure the property. Further, the date the deed is recorded transferring such ownership is the gift date.

Notifying Risk Management

As set forth above, GARC will notify GCFA's Controller and the Risk Management Department when the property has been acquired, so it may be added to insurance coverage. If the value of the improvements on the property exceed \$1,000,000, Risk Management will be notified in advance of the transfer of title to GCFA.

Marketing the Property

GARC will take all steps necessary to market the property, including the selection of a real estate agent to represent GCFA in the sale, review the listing contract, negotiate sales contracts, etc. However, no negotiations of any kind whatsoever are entered into without the express approval, written or verbal notice of an authorized representative of GARC. Further, all real estate contracts and documents (including sales contracts, waivers, contingency removals, etc.) are approved and signed by the senior staff member of GARC.

It is acceptable for GARC to be notified by the Donor or Development Officer of prospective buyers who may have an interest in the purchase of the property. However, the Donor should not and cannot engage in negotiation, which could be interpreted by the Internal Revenue Service as a pre-arranged sale. GCFA shall negotiate with any prospective purchaser upon its own terms and conditions.

Reporting to the IRS

At the time the deed is requested from the Donor, GCFA will furnish the Donor with IRS Form 8283 to be completed by the Donor and the Donor's appraiser. The form is returned to GARC for processing.

If the property is sold by GCFA within two years of acquiring title from the Donor, GCFA will prepare a Form 8282 within 120 days of the sale and file it directly with the IRS. A copy of this form will be furnished to the Donor to complete the Donor's record of the transaction.

Administrative Fee and Costs

In order to defray the costs of valuation and administration, GCFA or the UMC Foundation may assess all out-of-pocket costs, a one-time transaction fee in the amount of \$500.00, and a service fee of \$50.00 per month for each month the property remains unsold. The administrative charges will be recovered at the time of sale from net proceeds. GARC may waive all or part of such fees under special circumstances.

If involved in the gift, the UMC Foundation may develop acceptance and administrative fees, as it deems necessary.

Gifts of Real Property Devised by Testamentary Instrument

GARC should be notified immediately upon realization of any real property gift devised by testamentary instrument to GCFA. It is essential that this property be processed as soon as possible, as time constraints exist concerning GCFA's response for acceptance or denial of any real property gift.

GARC will track and monitor any gift of real property devised to GCFA through an estate. If possible, the estate will be requested to liquidate the property and transfer the sale proceeds to GCFA. Once the proceeds of sale are received, the Controller will be notified.

CHRONOLOGY OF PROCESSING A REAL PROPERTY GIFT

1. Upon presentation of a proposed gift, a staff person is assigned to process the proposed gift and GARC will initially determine whether the gift is suitable for gifting purposes. A thank you acknowledgement of the gift will be sent. (This will not be an acceptance of gift but an initial thank you with an explanation of the acceptance process.)
2. Documents which are helpful in the initiation of processing, in addition to the completed gift application, include a copy of the current deed, a copy of the Donor's real property tax statement, and a copy of the last issued title insurance policy.
3. If the gift is other than residential property, additional information may be necessary to consider the proposed gift. Following is a partial list of some concerns which the Development Officer or staff person of the UMC Foundation may address when speaking with a potential Donor (see attached Real Estate Checklist Form for more complete details):
 - a. If the gift is a condominium or located in a planned unit development, a list of fees involved in maintaining the property should be provided, including condo fees, homeowners' association fees, any additional maintenance fees, transfer fees, clubhouse dues, pending lawsuits, and known assessments scheduled to occur during the next twelve months;
 - b. If the gift is a condominium or located in a planned unit development, a copy of the covenants and restrictions or rules and regulations should be obtained;
 - c. If the gift is rental property and will require management, the current manager should be identified (name, address, phone). If the Donor is currently managing the property, it should be noted whether the Donor will continue in this capacity at no charge until the property is sold and, if not, whether the Donor has a suggestion as to who should manage the property; and
 - d. If the gift is rental property, or has the potential for being rental property (e.g., condominium, etc.), a copy of the current lease(s) should be obtained and the Donor should be asked about rent control or tenant's rights laws for the area.
4. The Development Officer or The UMC Foundation staff presents the proposed gift, along with a signed Gift Application and any other documentation obtained to GARC.
5. GARC reviews the proposed gift for compliance with all GCFA policies.

6. GARC initiates the marketability study by obtaining market analyses. When possible, two or three different analyses will be obtained from separate real estate agents.
7. All real estate gifts must be approved by GARC. If tentatively approved, they write to the Donor (with a copy to the Development Officer or UMC Foundation) stating that the gift has been tentatively approved and setting forth any contingencies established by the Committee. Also enclosed will be an "Authorization for Property Access" form which allows access to the property and states who holds the keys.
8. The Development Officer or UMC Foundation staff notifies the Donor of the necessity of an appraisal by a licensed or certified appraiser as soon as possible to complete the marketability process and provide a basis for actuarial calculations.
9. The Legal Department is notified that the property has been accepted on a contingent basis by GARC, so work may begin on the gift agreement.
10. The proposed gift is entered on the Real Estate Log. Upon receipt of the appraisal, the Commitment for title insurance and a Phase I Environmental Report is ordered. On occasion, the Title Commitment and Phase I Report may be ordered prior to receipt of the appraisal.
11. Upon receipt of a clear title report and favorable environmental assessment, the Donor will be advised in writing:
 - a. that the gift has been approved as the contingencies established by GARC have been satisfied;
 - b. that the Federal 8283 tax form is enclosed and needs to be executed;
 - c. that the Donor should contact an attorney to have the deed(s) prepared for review by the Legal Department; and
 - d. of the manner in which GCFA will take title.

This letter, as with any correspondence requiring action on the part of the Donor, is copied to the Development Officer (if possible, it is faxed) at the time it is mailed to the Donor.

12. After execution of the Agreement and satisfactory receipt of all pertinent documentation, the Legal Department reviews and, when the deed(s) are deemed satisfactory, advises the Donor to record the deed(s) with the appropriate recording authority in the county in which the property is located and have the original returned to GCFA. GARC should be notified the day the deed is recorded (verbally, if necessary). Ownership is transferred to GCFA on that date, and the Risk Management Department must be notified

simultaneously to insure the property. Further, the date the deed is recorded transferring such ownership is the gift date.

13. GARC executes IRS Form 8283, which has previously been signed by the Donor's appraiser, and it is returned to the Donor for use in filing an income tax return.
14. GARC then markets the property and maintains a log showing the status of the marketing process. This information will be shared with Development Officer when requested
15. When proceeds of the sale of the property are received, the Accounting Department will immediately process and notify the Development Officer of the closing of the sale.
16. If the property is sold within two years of acquisition, an IRS Form 8282 is executed and filed with the Internal Revenue Service, with a copy to the Donor.
17. The property is moved to the "Real Estate Log -Properties Sold" and the file is closed.
18. The sale is reported to the Property Services Committee at its next regular meeting.
19. Report is made to GCFA.

REAL ESTATE
FORMS, CHECKLISTS and EXHIBITS

**GENERAL COUNCIL ON FINANCE ON ADMINISTRATION
REAL ESTATE
PRELIMINARY REPORT/PROPERTY INTAKE INFORMATION**
_____, 20 ____

DONOR NAME (S):

ADDRESS:

TELEPHONE: (BUSINESS)

**TELEPHONE:
FAX:
EMAIL:**

PROPERTY (GENERAL INFORMATION):

ADDRESS (STREET) :	CITY:	COUNTY:	STATE:	ZIP:
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DIRECTIONS FROM NEAREST LARGE TOWN OR CITY:

OWNERSHIP:	<input type="checkbox"/> Sole Owner	<input type="checkbox"/> Joint	<input type="checkbox"/> Held in Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> Community Prop.
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TYPE:	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial	<input type="checkbox"/> Vacant Land	<input type="checkbox"/> Condominium	<input type="checkbox"/> Duplex
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	<input type="checkbox"/> Rental	<input type="checkbox"/> Planned Unit Dev.	<input type="checkbox"/> Apartments	<input type="checkbox"/> Other
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NUMBER OF ACRES OR APPROXIMATE DIMENSIONS:

IMPROVEMENTS (Residence, Garage, Outbuildings, Roads) AND APPROXIMATE AGE:

CHARACTER OF THE NEIGHBORHOOD:	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	<input type="checkbox"/> Mixed	<input type="checkbox"/> Undeveloped
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NOTES:

INSURER'S NAME: _____ **POLICY #:** _____ **PERIOD:** _____

MARKETING INFORMATION:

Are there Tenants On the Property:
 Yes No

Do the Tenants Have a Written Lease?
 Yes No

How Long Have Present Tenants Occupied the Property?

Number of Tenants On the Property: _____

Expiration Date of Lease _____

_____ Yrs.
_____ Mos.

REALTOR INFORMATION FORM

_____, 20 ____

Donor Names(s): _____

Property Address _____

REALTOR NO. 1:

NAME:		
COMPANY NAME:		
STREET ADDRESS:		
CITY:	STATE:	ZIP:
BUSINESS PHONE:	EMAIL:	FAX NUMBER:

REALTOR NO. 2:

NAME:		
COMPANY NAME:		
STREET ADDRESS:		
CITY:	STATE:	ZIP:
BUSINESS PHONE:	EMAIL:	FAX NUMBER:

REALTOR NO. 3:

NAME:		
COMPANY NAME:		
STREET ADDRESS:		
CITY:	STATE:	ZIP:
BUSINESS PHONE:	EMAIL:	FAX NUMBER:

AUTHORIZATION FOR PROPERTY ACCESS

As the sole owner(s) of the property at _____, I/we are interested in gifting the property to GCFA, and have authority to authorize access to said property.

Any organization hired by The General Council on Finance and Administration to perform an inspection related to the acceptability of this property for a charitable donation is hereby granted access to the above property. Such access is to be coordinated with: _____.

I hereby agree to complete any inspections, transfer declarations, and to disclose information relating to the property including completing any form required by federal state or local government (*Illinois Form Exhibit C attached as such a sample for illustration purposes*).

Name

Phone Number

Signed: _____
Owner

Owner

The following Checklist should be prepared and signed by an independent investigator and is in addition to possible state required checklists that are required of Sellers (a sample is attached as Exhibit C) The potential donor should be interviewed to assist in answering the questions and, as appropriate, the donor should be allowed to review the Checklist accuracy and, when possible, sign the Checklist.

Date: _____ Property Address: _____

INSPECTION CHECKLIST

Please check the following. If the answer to any questions is "Yes", please comment on the "Notes" section, back page of this document, or attached separate sheet.

- | | | | |
|--------------------------|--------------------------|--------------------------|--|
| Yes | No | Unknown | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are any industrial facilities located within ¼ mile of this property? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any problems with radon gas? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are any surface storage tanks located on the property? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Has lead-based paint ever been used on this property? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are any structures on the property now coated with lead-based paint? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Has formaldehyde-based insulation ever been used on this property? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are there electrical transformers or capacitors on the property which may contain PCBs? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Could the activities at adjacent businesses or properties pose potential environmental risks? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are there groundwater wells on the property? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the groundwater in the immediate area used as a source of drinking water? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the property the subject of environmental litigation or regulatory enforcement action? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the property near any flood plain, wetland, or sensitive ecological area? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are there any easements on the property (roadways, pipelines) with potential environment implications? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Were any chemicals or fuels handled at the site? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are there any barrels, drums, fragments, paint cans, trash accumulation, etc.? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there any other debris, such as abandoned vehicles, machinery, etc., from waste dumping? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there evidence of oil or other liquids in ponds or oil slicks, seepage, bubbling water, or other accumulation? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there evidence of stressed vegetation (different coloration, stunted growth, bare spots, etc.)? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Has this property even been used as a landfill? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there mounding, sinking, or unusual soil disturbances? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is this now or has there ever been automobile parking, truck storage or other possible sources of spilled oil or gasoline? |

PHYSICAL INSPECTION OF THE PROPERTY:

This property was personally inspected by _____					(Date)
Development Officer or other representative					
If there are any defects/malfunctions in the following, please comment on "Notes" section on the back page of this document or attach a separate sheet:					
EXTERIOR WALL CONSTRUCTION:	<input type="checkbox"/> Brick	<input type="checkbox"/> Masonry	<input type="checkbox"/> Wood	<input type="checkbox"/> Siding	<input type="checkbox"/> Asphalt
INTERIOR WALL CONSTRUCTION:	<input type="checkbox"/> Brick	<input type="checkbox"/> Masonry	<input type="checkbox"/> Drywall	<input type="checkbox"/> Other	
MIDDLE WALL CONSTRUCTION:	<input type="checkbox"/> Wood	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/> Other	
FOUNDATION:	<input type="checkbox"/> Concrete	<input type="checkbox"/> Other	Condition of foundation: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Structural Cracks		

HEATING SOURCE	<input type="checkbox"/> Gas	<input type="checkbox"/> Electric	<input type="checkbox"/> Wood	<input type="checkbox"/> Propane Tank	<input type="checkbox"/> Central	<input type="checkbox"/> Forced Air	<input type="checkbox"/> Other
AIR CONDITIONING:	Age:	<input type="checkbox"/> Central	<input type="checkbox"/> Window Unit(s)		<input type="checkbox"/> Other		
ROOF:	Construction Material:			Age:		Overall Condition of Roof: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	
PLUMBING:	Age:	<input type="checkbox"/> Galvanized	<input type="checkbox"/> Copper	<input type="checkbox"/> PVC		<input type="checkbox"/> Other	
ELECTRICIAL WIRING:	Age:	Construction Material <input type="checkbox"/> Copper <input type="checkbox"/> Aluminum <input type="checkbox"/> Other					

EXTERIOR PAINT:	Type:	Condition:	When Last Painted	Comments:
	<input type="checkbox"/> Oil	<input type="checkbox"/> Good		
	<input type="checkbox"/> Latex	<input type="checkbox"/> Fair	_____	Years
	<input type="checkbox"/> Other	<input type="checkbox"/> Poor	_____	Months

List all appliances (and approximate age) which will remain with the property. State whether each is in working condition.

Please check the following (If answer needs explanation, please comment on "Notes" section on back of this document or attach separate sheet):

Yes No

- Is all flooring in good condition?
- Are there structural cracks in basement and/or walls?
- Do the interior walls need to be painted?
- Are all porch railings, hand railings and exterior stairways secure and in good repair?
- Did room additions, structural modifications, or other alterations or repairs comply with building codes in effect at the time and were necessary permits obtained?
- Does the property share any common elements with other property owners (shared walls, fences, driveways, etc.)?
- Was this property ever treated for termites or other wood-destroying insects?
- Is there any evidence of termite or other wood rot damage needing repair?
- Is there any evidence of previous flooding or improper drainage (water stains, etc.)?
- Is there evidence of settling, soil movement, fault lines, etc.?
- Is this property connected to a sewer system?
- Is this property connected to a septic tank?
- Are all plumbing fixtures in working order?
- Are all windows operational and free of broken glass?

NOTES:

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Name and Phone Number of Property Manager (if other than Donor).			If there is no Property Manager, Name and Phone Number of Person Holding Keys:	
Annual Rental Income: \$	Date of Last Appraisal: \$	Appraisal Amount: \$	Donor's Estimated Value \$	Please attach separate sheet with name and phone number of three local Realtors.

TITLE INFORMATION

ACQUISITION: Date: _____		Purchase for \$ _____	Inherited	Other
Date Last title Insurance Policy Was Issued		Current Title Insurance Policy Is In Effect: Yes No		Zoning Designation:
Describe Any Pending Or Settled Lawsuits Involving This Property:				
Have Any Insurance Claims Been Made With Regard To The Use Of This Property: If So, Please Describe:				
Real Property Taxes:	Annual Amount: \$	Date(s) Due (Quarterly, Semi Annually):	Currently Paid Through:	

ENVIRONMENTAL INFORMATION:

Are there any potentially asbestos-containing materials evident?

- Sprayed-On Fireproofing
 Pipe Wrap
 Friable Ceiling Tiles
 Acoustical Plaster
 Exposed or Known Asbestos Insulation

List any current or past industrial use of the property:



NOTES:

I/We certify that the statements contained in this document are true to the best of my/our knowledge and belief. I/We understand that this document is provided to GCFA for evaluating the real property for gifting purposes.

Date: _____

INSPECTOR

DONOR

REAL ESTATE CHECKLIST
 _____, 200__

Date	Essential Documents	Date	Fees and Expenses Known or Estimated		
	Gift Application Completed		Real Property Taxes	\$	Due:
	Preliminary Report/Property Inspection		City (Municipal) Taxes	\$	Due:
	Deed (Current)		Agricultural Taxes	\$	Due:
	Appraisal #1		Homeowner's Assn. Fee	\$	Due:
	Appraisal #2		Condo Transfer Fee	\$	Due:
	Map or Plat of Property and Survey (If Available)		Known Assessments	\$	Due:
	Title Insurance Policy (Current or Previous)		Anticipated Assessments	\$	Due:
	Previous Environmental Assessments		Security/Damage Deposits	\$	Due:
	Trust Agreement (If Applicable)		Interest due on Sec. Deposits	\$	Due:
	Power of Attorney (If Applicable)		Other Taxes or Expense	\$ %	Due:
	Declaration of Condominium			\$	Due:
	Covenants and Restrictions			\$	Due:
	Lease or Rental Agreements			\$	Due:
	Property Management Agreement			\$	Due:
	Rent Control Documents			\$	Due:
	Tenants' Rights Legislation Information			\$	Due:
	Cash Flow Statements for 2 Previous Years (Rental Property)			\$	Due:
	Necessary Waivers (Spousal, 1st Right of Refusal)			\$	Due:
	Name, Address, Phone Number of 3 Local Realtors			\$	Due:

Exhibit A
Sample
Short Version Environmental Gift Language

Donor is and shall remain responsible for all environmental conditions and liabilities which arise out of or in any way relate to the Property and its condition or any activity now or formerly conducted thereon. The Church shall have the right to inspect the records relating to the activities of the Donor and past and current activities at the Property, and to conduct environmental investigations of the Property and any activities now or formerly conducted thereon. Donor, its successors and assigns, officers and directors shall indemnify, defend, and hold the Church and its directors, officers, employees, agents, stockholders, successors, and assigns harmless from and against any and all environmental liabilities, costs, expenses, or requirements that may be imposed upon or incurred by them in any way arising out of or in any way related to (1) any and all environmental conditions on, at, in, from or underlying any of the Property, (2) any and all acts or omissions arising from or relating to the ownership of or activities at the Property, (3) the on-site or off-site handling, storage, treatment, or disposal of any hazardous materials generated or handled by Donor, or the past or present owners or operators of the Property, or any parties who have now or formerly engaged in activities at the Property. Notwithstanding any other provision of this agreement, these indemnifications by Donor, its successors and assigns, officers and directors shall survive without limitation.

Exhibit B

This is a sample document that a **Buyer** would request. It is provided only as an example and when GCFA is selling, it is not in GCFA's interest to make these representations.

SAMPLE **Real Estate Contract Provision For Environmental Protections for** **Church Buyer (or Donee)**

Section 1.1 Seller's Representations and Warranties

- (a) The Property has been and is in compliance with all applicable limitations, restrictions, conditions, standards, prohibitions, requirements, permits, registrations, authorizations, licenses and obligations of Environmental Laws and any related orders, judgments, decrees, or decisions of any court or other governmental entity.
- (b) All Hazardous Materials handled or generated at the property have been handled, used, transported, stored, treated and disposed of in accordance with Environmental Law.
- (c) No person has disposed of or released any Hazardous Materials on, at, into, under or from the Property.
- (d) There are no existing, pending or threatened actions, suits, claims, investigations, inquiries, requests for information or proceedings by or before any court or any other governmental entity directed against Seller, and there are no facts or circumstances which could reasonably be expected to result in or give rise to any such actions, suits, claims, investigations, inquiries, requests for information or proceedings under Environmental Law.

Section 1.2 Seller's Indemnification

- (a) **Seller is and shall remain responsible for all Environmental Conditions and Environmental Liabilities, which in any way relate to the Property and its condition and operation on or prior to the Closing Date.**
- (b) Seller, its successors and assigns, officers and directors shall indemnify, defend, and hold the Church and its directors, officers, employees, agents, stockholders, successors, and assigns harmless from and against any and all Environmental Liabilities that may be imposed upon or incurred by them in any way arising out of, related to or in connection with Environmental Law or any breach by Seller of any representation or warranty contained in Section 1.1 hereof.

Section 1.3 Right to Conduct Environmental Inspection

Prior to the Closing Date, the Church shall have the right but not a duty to inspect the records relating to the past and current activities at the Property, and to conduct environmental investigations and audits at the Property. The Church need not proceed with the closing should the results of any inspection or investigation be in any way unsatisfactory to the Church, in its sole discretion. The representations, warranties, indemnities, and other undertakings set forth herein shall not be affected by any such inspection or investigations, or lack thereof, or the results of any such inspection.

Section 1.4 Definitions

- (a) “Hazardous Materials” means any hazardous material, hazardous substance, hazardous waste, extremely hazardous waste, extremely hazardous substance, chemical substance or mixture, pesticide, pollutant, contaminant, toxic chemical, toxic substance, petroleum product or byproduct, asbestos, polychlorinated biphenyls, radioactive material or noise as defined in Environmental Law.
- (b) “Property” means the real property described more fully in Schedule _____ and any business or operations now or formerly conducted thereon.
- (c) “Environmental Condition” means any pollution, contamination, degradation, damage or injury caused by, related to, arising from, or in connection with the generation, handling, use, treatment, storage, transportation, disposal, discharge, release, leaching, migration, seepage, or emission of any Hazardous Material.
- (d) “Environmental Law” means any and all federal, state, local, and foreign laws, rules, regulations, statutes, ordinances, decrees, policies, permits, registrations, authorizations, licenses, guidance, or orders of any governmental entity, each as amended and as now or hereafter in effect, any contractual obligation, and the common law relating to public health and safety and pollution or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, investigation, release, threatened release, control, mitigation, or cleanup of any Hazardous Materials.
- (e) “Environmental Liabilities” means any and all liabilities, responsibilities, claims, suits, losses, costs (including remediation, removal, response, abatement, cleanup, investigative, and/or monitoring costs and any other related costs and expenses), other causes of action recognized now or at any later time, damages, settlements, expenses, charges, assessments, liens, penalties, fines, prejudgment and post judgment interest, attorney fees and other legal fees (A) pursuant to any agreement, order, notice, requirement, responsibility, directive, injunction,

judgment or similar documents (including settlements) related to, arising out of or in connection with any Environmental Laws, or (B) pursuant to any claim by a governmental entity or other person or entity for personal injury, property damage, damage to natural resources, remediation, noncompliance with Environmental Laws regarding the ownership or operation of the Property (including, but not limited to, penalties and fines arising from, related to or in connection with any such noncompliance), similar or related costs or expenses, incurred or asserted by such entity or person pursuant to Environmental Law.

Section 1.5 Survival of Seller's Representations, Warranties and Indemnification

The representations and warranties of Seller and the indemnification by Seller, its successors and assigns, officers and directors in the Section 1 of this Agreement shall survive without limitation.

Section 1.6 Conflicts

To the extent this Section 1 conflicts or may conflict with any other provision of this Agreement, this Section 1 shall control.

Exhibit C

This form is attached to give an example of a state required form that should be obtained from the donor as part of the gift.

Illinois

RESIDENTIAL REAL PROPERTY DISCLOSURE REPORT

NOTICE: THE PURPOSE OF THIS REPORT IS TO PROVIDE PROSPECTIVE BUYERS WITH INFORMATION ABOUT MATERIAL DEFECTS IN THE RESIDENTIAL REAL PROPERTY. THIS REPORT DOES NOT LIMIT THE PARTIES' RIGHT TO CONTRACT FOR THE SALE OF RESIDENTIAL REAL PROPERTY IN "AS IS" CONDITION. UNDER COMMON LAW, SELLERS WHO DISCLOSE MATERIAL DEFECTS MAY BE UNDER A CONTINUING OBLIGATION TO ADVISE THE PROSPECTIVE BUYERS ABOUT THE CONDITION OF THE RESIDENTIAL REAL PROPERTY EVEN AFTER THE REPORT IS DELIVERED TO THE PROSPECTIVE BUYER. COMPLETION OF THIS REPORT BY THE SELLER CREATES LEGAL OBLIGATIONS ON THE SELLER; THEREFORE THE SELLER MAY WISH TO CONSULT AN ATTORNEY PRIOR TO COMPLETION OF THIS REPORT.

Property Address: _____

City, State & zip code: _____

Seller's Name: _____

This Report is a disclosure of certain conditions of the residential real property listed above in compliance with the Residential Real Property Disclosure Act. This information is provided as of _____(month) _____(day) _____(year), and does not reflect any changes made or occurring after that date or information that becomes known to the seller after that date. The disclosures herein shall not be deemed warranties of any kind by the seller or any person representing any party in this transaction. In this form, "am aware" means to have actual notice or actual knowledge without any specific investigation or inquiry. In this form, "material defect" means a condition that would have a substantial adverse effect on the value of the residential real property or that would significantly impair the health or safety of future occupants of the residential real property unless the seller reasonably believes that the condition has been corrected. The seller discloses the following information with the knowledge that even though the statements herein are not deemed to be warranties, prospective buyers may choose to rely on this information in deciding whether or not and on what terms to purchase the residential real property.

The seller represents that to the best of his or her actual knowledge, the following statements have been accurately noted as "yes" (correct), "no" (incorrect), or "not applicable" to the property being sold. If the seller indicates that the response to any statement, except number 1, is yes or not applicable, the seller shall provide an explanation, in the additional information area of this form.

YES NO N/A

1. ____ ____ ____ Seller has occupied the property within the last 12 months. (No explanation is needed.)
2. ____ ____ ____ I am aware of flooding or recurring leakage problems in the crawl space or basement.
3. ____ ____ ____ I am aware that the property is located in a flood plain or that I currently have flood hazard insurance on the property.
4. ____ ____ ____ I am aware of material defects in the basement or foundation (including cracks and bulges).
5. ____ ____ ____ I am aware of leaks or material defects in the roof, ceilings, or chimney.
6. ____ ____ ____ I am aware of material defects in the walls or floors.
7. ____ ____ ____ I am aware of material defects in the electrical system.
8. ____ ____ ____ I am aware of material defects in the plumbing system (includes such things as water heater, sump pump, water treatment system, sprinkler system, and swimming pool).
9. ____ ____ ____ I am aware of material defects in the well or well equipment.
10. ____ ____ ____ I am aware of unsafe conditions in the drinking water.
11. ____ ____ ____ I am aware of material defects in the heating, air conditioning, or ventilating systems.

(over)

RESIDENTIAL REAL PROPERTY DISCLOSURE REPORT-- continued

YES NO N/A

- 12. ___ ___ ___ I am aware of material defects in the fireplace or woodburning stove.
- 13. ___ ___ ___ I am aware of material defects in the septic, sanitary sewer, or other disposal system.
- 14. ___ ___ ___ I am aware of unsafe concentrations of radon on the premises.
- 15. ___ ___ ___ I am aware of unsafe concentrations of or unsafe conditions relating to asbestos on the premises.
- 16. ___ ___ ___ I am aware of unsafe concentrations of or unsafe conditions relating to lead paint, lead water pipes, lead plumbing pipes or lead in the soil on the premises.
- 17. ___ ___ ___ I am aware of mine subsidence, underground pits, settlement, sliding, upheaval, or other earth stability defects on the premises.
- 18. ___ ___ ___ I am aware of current infestations of termites or other wood boring insects.
- 19. ___ ___ ___ I am aware of a structural defect caused by previous infestations of termites or other wood boring insects.
- 20. ___ ___ ___ I am aware of underground fuel storage tanks on the property.
- 21. ___ ___ ___ I am aware of boundary or lot line disputes.
- 22. ___ ___ ___ I have received notice of violation of local, state or federal laws or regulations relating to this property, which violation has not been corrected.

Note: These disclosures are not intended to cover the common elements of a condominium, but only the actual residential real property including limited common elements allocated to the exclusive use thereof that form an integral part of the condominium unit.

Note: These disclosures are intended to reflect the current condition of the premises and do not include previous problems, if any, that the seller reasonably believes have been corrected.

If any of the above are marked "not applicable" or "yes", please explain here or use additional pages, if necessary:

Check here if additional pages used: _____

Seller certifies that seller has prepared this statement and certifies that the information provided is based on the actual notice or actual knowledge of the seller without any specific investigation or inquiry on the part of the seller. The seller hereby authorizes any person representing any principal in this transaction to provide a copy of this report, and to disclose any information in the report, to any person in connection with any actual or anticipated sale of the property.

Seller: _____ Date: _____

Seller: _____ Date: _____

THE PROSPECTIVE BUYER IS AWARE THAT THE PARTIES MAY CHOOSE TO NEGOTIATE AN AGREEMENT FOR THE SALE OF THE PROPERTY SUBJECT TO ANY OR ALL MATERIAL DEFECTS DISCLOSED IN THIS REPORT ("AS IS"). THIS DISCLOSURE IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT THE PROSPECTIVE BUYER OR SELLER MAY WISH TO OBTAIN OR NEGOTIATE. THE FACT THAT THE SELLER IS NOT AWARE OF A PARTICULAR CONDITION OR PROBLEM IS NO GUARANTEE THAT IT DOES NOT EXIST. THE PROSPECTIVE BUYER IS AWARE THAT HE MAY REQUEST AN INSPECTION OF THE PREMISES PERFORMED BY A QUALIFIED PROFESSIONAL.

Prospective Buyer: _____ Date: _____ Time: _____

Prospective Buyer: _____ Date: _____ Time: _____