

OVERVIEW OF PROCESS FOR DONATING REAL ESTATE TO THE UNIVERSITY OF ALABAMA

The University of Alabama is appreciative of and generally accepts gifts of real property. Real property can be donated outright during the donor's life or left as a testamentary gift through a number of instruments. Because of the complexities and risks involved in accepting real estate for charitable purposes, The University of Alabama created the following document to guide the process and to assist in providing necessary information for consideration of the gift. The purpose of these procedures is to ensure compliance with all applicable laws and regulations; to protect the donor, the University and its related entities; and to ensure acceptance of only such property as can provide income for the charitable purpose designated by the donor for the benefit of the University.

STEPS FOR DONATING REAL ESTATE TO THE UNIVERSITY OF ALABAMA

The following information describes the typical process of transferring real estate as a charitable contribution to The University of Alabama.

1. Upon contact from a prospective donor The University of Alabama's Office of Planned Giving (OPG) will inform the University's staff of the potential gift of real property and provide the donor with OPG's [Real Property Inquiry Form](#).
2. The donor submits a completed Real Property Inquiry Form along with any additional documentation to OPG.
3. Following receipt of the Form, the University will determine if it is interested in receiving the donation of the property, and OPG will inform the donor of the University's decision and intent.
4. If the University determines that it has an interest in receiving the donation of property the OPG, in conjunction with The University of Alabama Office of Land Management (OLM), will arrange for a field evaluation of the property to confirm the nature of the property and to ensure its marketability.
5. The donor will then provide, at the donor's expense, a current appraisal of the property conducted by a certified appraiser (and when possible, a MAI certified appraiser), and a certificate of title or a title report documenting ownership of the property and that title to the property is free and clear of encumbrance except for current real estate taxes or acceptable restrictions of record. In some cases, an environmental audit and title insurance may also be required.
6. Upon receipt of all required documentation, the University will make its final decision to accept or reject the donation. If the University accepts the donation, the University will recommend acceptance of the donation to the governing board of the entity that will accept the donation on behalf of the University (the Board of Trustees of The University of Alabama or The 1831 Foundation), with supporting documentation.
7. After formal acceptance, OPG and OLM work with the donor, the donor's attorney and the legal counsel for The 1831 Foundation or University to execute the agreements (warranty deed, trust documents, draft of will, etc.) to transfer the property to The 1831 Foundation or University at the appropriate time. In addition, OPG works with the donor to execute a Memorandum of Agreement outlining the donor's designation within the University for the proceeds of the gift. The donor also completes and submits to OPG an IRS Form 8283 (Noncash Charitable Contributions) including the required signature by the appraiser. In the event of a Retained Life Estate, an agreement is executed to outline arrangements for paying expenses associated with the property such as real estate taxes, utilities, insurance and maintenance costs, and to confirm that there are no restrictions on The 1831 Foundation and/or University's right to use or convey the property.
8. All legal documents are reviewed by the University's legal counsel. Assuming favorable review, the appropriate official will execute the documents finalizing the terms of the gift. In summary, documents involved in the process may include the a) Real Property Inquiry Form; b) Certified Appraisal; c) Title Report; d) Phase I Environmental Audit, if necessary; e) Memorandum of Agreement outlining intent of the gift; f) Legal Documents such as a warranty deed, will, trust document, etc.; g) IRS Form 8283; and h) Life Estate Supplemental Agreement detailing arrangements of the life estate. The University's legal counsel will not provide legal advice to the donor at any point in this process.

DOCUMENTS TO ASSIST WITH COMPLETING THE REAL PROPERTY INQUIRY FORM

Before preparing the Real Property Inquiry Form, it will be beneficial to the donor to have the following documents accessible: a) a recent appraisal; b) the most recent tax statements; c) the current deed and title to the property; d) a recent insurance premium statement; e) any lease agreements or contracts with a property management company.