

SECTION:	PS 1	ADMINISTRATIVE
SUBSECTION:	PS 1.9	GIFTS, DONATIONS, SPONSORSHIPS AND NAMING RIGHTS
POLICY:	PS 1.95	GIFTS OF REAL PROPERTY
REVISIONS:		10/2014

Gifts of Real Property

This portion of the policy sets forth the procedures which the Library shall follow to accept title to gifts of real property, including unimproved and improved land. The policy is intended to safeguard the Library against accepting gifts of real property that are difficult to manage or are encumbered with defects that could put the Library at risk once the Library is in the chain of title. In addition, the Library must be sensitive to the long-term cost of owning the property, including the distribution of maintenance money. Gifts of real property may be outright gifts, bargain sales (i.e., part sale/part gift transactions) or part of a charitable life income plan (i.e., a gift held in trust with a life income to the donor). It is the general policy of the Library not to accept partial or fractional gifts in real property except for the situations where acceptance of such an interest would present an extraordinary benefit for the Library based on the recommendation of the Library Director and the approval of the Board of Trustees.

Types of gifts accepted:

- A. The Library shall not accept any real estate encumbered by a mortgage or other liens except when approved by the Board based on a recommendation by the Library Director.
- B. The Library may accept gifts with a retained life use but generally only if the life tenant agrees to pay for all ongoing carrying costs, including but not limited to real estate taxes, upkeep, insurance, maintenance and repairs to the property and utilities. The gift agreement for a retained life use shall contain the stipulation that if the life tenant defaults on the payment of these carrying costs, the retained life tenancy ceases.
- C. Where real property is being conveyed to the Library, every effort should be made to take the property free of any encumbrances such as possibilities of reversion to the donor’s heirs if the property is no longer used for Library purposes. Reversion or other restrictive use clauses could lead to the real property reverting to the heirs of the donor with no compensation to the Library. The Library attorney should be consulted about the best course of action if such clauses are to be included in the property deeds. If the Library decides to accept a gift of real property with a reversion clause, the Library may request that the prospective donor agree that the Library will be entitled to be reimbursed for any of the carrying costs of the real property, including but not limited to, property insurance, repairs and maintenance while the Library holds title to the property. If the donor declines to accept these terms, the Library must determine if it is in the best interests of the Library to accept the gift and agree to pay these carrying costs.

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Review Process

As donations and gifts vary in their impact on the Library, the review process should be tailored according to the proposal's complexity. The donor should meet with the Library at the earliest possible time to discuss the review process for the specific gift. The process of establishing the Library's interest in accepting a gift of real estate shall begin with the initial gathering of the following basic information by the Library Director:

- A. The name, address, telephone number and e-mail address of the proposed donor. At the request of the donor, anonymity will be honored.
- B. A statement of the relationship of the donor to the Library, if any.
- C. A statement of the reasons for the donor's desire to make the gift and the reasons for the Library to accept the gift, including a history of prior donations by the donor.
- D. A general description of the property including street address, any structures (above and below ground), past uses of the property, neighborhood characteristics, pictures, setting and zoning.
- E. A statement as to whether the contribution is of the donor's complete or partial interest in the property. (Generally, the Library will not accept partial interests in real property.)
- F. A list of any personal property to be included with the gift.
- G. Copies of current real estate tax bills and special assessment bills.

Legal Requirements

Library staff will review land use requirements, legal requirements, potential public concern, maintenance issues and Library issues associated with the proposed gift. If it is determined that the Library could potentially benefit from this donation of real property, the following additional documents are to be provided by the donor at the donor's expense, before the Library can make a final decision to accept title to the property. If the donor declines to provide at her/his cost the documents required to perform the necessary due diligence and to close on the property, and the Library Director determines that it is in the best interests of the Library to further advancement of the gift by paying these costs, the Library may agree to pay these costs.

- A. A recent legal description and survey of the property showing any easements and right-of-ways.
- B. If the parcel of land is improved with a building which is occupied, the name of the persons or business occupying space, together with copies of the leases relating to those occupancies.
- C. Proof of donor's ownership of the property in form of a title policy or title report.

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- D. A Phase I Environmental Assessment of the property in a form and content which would be satisfactory to the Library.
- E. Any other information needed to determine liability risks or unacceptable restrictions on use or disposition of the real property.

After the Library Director receives this information he/she will evaluate the gift's potential and make a recommendation to the Board of Trustees. The Ashtabula County District Library may decline any gift or bequest for any reason.

Adapted from the policy of the Matteson Public Library – Matteson IL 60443