

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: General Administration

NUMBER: 01.C.08

AREA: Risk Management

SUBJECT: Environmental Review for Acquisition of Real Property

1. PURPOSE

In conjunction with the real estate gift acceptance procedures set forth in [SAM 08.A.03](#), this administrative memorandum establishes Risk Management procedures for receiving gifts of real property, including gifts of mineral interests.

2. POLICY

To avoid environmental risks, the University of Houston System must thoroughly screen any potential donations of real property for the presence of hazardous waste or contamination, hazardous materials of any sort located on/in structures or on/in equipment or improvements, visible or undetected, prior to acceptance.

3. PROCEDURES

- 3.1. The receipt of real property must be coordinated through the System Offices of University Advancement, Risk Management, Real Estate, and General Counsel. The donor should be requested to provide as much information as possible about the real property (e.g. property descriptions, surveys, deeds, title policies, appraisals, environmental assessments, etc.) to enable these System offices to evaluate the proposed gift, including consideration of the cost-effectiveness of proceeding with further due diligence analysis.
- 3.2. The donor should allow an appropriate length (at least 90 days) of time for the System to consult with the applicable System Offices noted above regarding the receipt of real property.
- 3.3. The donor should be encouraged to provide a current appraisal of the property concurrent with IRS guidelines. The System shall obtain a second appraisal to adhere to [Board of Regent Policy 51.01](#).
- 3.4. The Offices of University Advancement, Real Estate, and Risk Management will conduct a site inspection of the property and review all available documentation relating to the nature and condition of the property, including any improvements, use restrictions, or continuing costs or fees associated with the property.

- 3.5. The System must be allowed to verify the environmental assessment during the gift acceptance process described in [SAM 08.A.03](#) to ensure the property is free of environmental hazards.
- 3.6. If possible, the donor must certify to the System that the property is free of hazardous material or contaminants and submit a Phase I Environmental Site Assessment conducted in accordance with ASTM [Practice E1527-05](#) and [AAI Final Rule 40 CFR Part 312](#). If there is an indication of subsurface contamination, asbestos or other environmental concerns, subsequent assessments must be conducted to quantify the extent of contamination and cost of remediation prior to the transfer of ownership. All environmental assessment reports must be approved by the Risk Management Department prior to transfer of ownership.
- 3.7. The certification must be prepared by a company licensed, registered, or otherwise qualified under existing professional practices.
- 3.8. If the donor is unable to provide an environmental assessment of the property, the System will contract with a company licensed to provide this service.
- 3.9. The System must also consider additional factors described in [SAM 08.A.03](#) prior to acceptance of the gift, including but not limited to marketability, existence of liens or other indebtedness on the property, and other potential liability or future costs associated with the property.
- 3.10. If environmental hazards are determined to be non-existent or *de minimis*, and other due diligence assessments have been conducted, the System Office of University Advancement can proceed with its recommendation to the Gift Acceptance Committee in accordance with [SAM 08.A.03](#).

4. REVIEW AND RESPONSIBILITY

Responsible Parties: Vice Chancellor for University Advancement

Associate Vice Chancellor for Finance

Vice Chancellor for Legal Affairs and General Counsel

Review: Every three years on or before May 1

5. APPROVAL

Approved: Eloise D. Stuhr
 Vice Chancellor for University Advancement

Dona Cornell
 Vice Chancellor for Legal Affairs and General Counsel

Jim McShan
 Senior Vice Chancellor for Administration and Finance

Renu Khator
 Chancellor

Date: May 27, 2016

6. REFERENCES

[SAM 08.A.03 – Gift Acceptance – Gifts from Individual Donors](#)

REVISION LOG

Revision Number	Approved Date	Description of Changes
1	08/24/1992	Initial version
2	05/07/1993	Rewrote Section 3, adding information about site inspections and environmental assessment in Sections 3.2 and 3.5
3	06/09/2009	Applied revised SAM template. Changed office titles per current operating practices. ASTM documentation was information added to Section 3.3, and Board of Regents' policy information was added to Section 3.12. Updated responsible parties and approval signature cycle

Revision Number	Approved Date	Description of Changes
4	02/15/2013	Applied new SAM template and new Revision Log. Changed title from “Receiving Gifts of Real Property” to “Environmental Review for Acquisition of Real Property.” Plant Operations’ responsibilities changed to Risk Management in Sections 3.1 and 3.2. Added hyperlinks to documents as needed. Added Real Estate Services to the process. Added Section 3.3 on donor providing a current appraisal of the property, and the System providing a second appraisal using BOR policy 51.01. Added Section 3.5 on environmental assessments during the gift acceptance process. Removed Sections 3.6, 3.8, 3.9, and 3.12. Changed the review cycle from annually on or before May 1 st to every three years on or before May 1 st . Added Section 6, References. Updated responsible parties per documentation in Section 3.1. Added VC for Legal Affairs and General Counsel to approval cycle
5	05/27/2016	Updated links and changed all references for SAM 03.F.01 to SAM 08.A.03, Gift Acceptance – Gifts from Individual Donors. No additional changes were made by the Subject Matter Experts (SMEs)