PROFESSIONAL PRACTICES

AESC Revises Guidelines

The Association of Executive Search Consultants, New York City, has revised its professional practice guidelines for the first time in six years. AESC's newly revised guidelines seek to clarify the rights and obligations of parties involved in the executive search process by addressing such issues as how to preserve the confidentiality of client information, avoid conflicts of interest, and perform client assignments. For example, the guidelines direct AESC members to "refuse or withdraw from an assignment upon learning of conditions that impair the member's ability to perform services properly, including actual or potential conflicts of interest unless all affected parties expressly agree to waive the conflict."

Name Changes

BEFORE: Monterey Group Sales
AFTER: Monterey Convention Authority: www.montereyconventionauthority.com

BEFORE: National Depressive and Manic-Depressive Association
AFTER: Depression and Bipolar Support Alliance: www.dbsalliance.org

BEFORE: Mobile (Alabama) Convention & Visitors Corporation
AFTER: Mobile Convention & Visitors Bureau: www.mobile.org

FUNDRAISING

Evaluating Real Estate Gifts

Associations with a related charitable organization designated by the Internal Revenue Service as a 501(c)(3) may find gifts of real estate to be a substantial income source. However, just because a piece of property has value does not mean it is in a charity's best interest to accept it as a gift.

Organizations need a policy for accepting gifts of real estate—one that establishes guidelines to determine whether potential gifts will indeed result in financial gain or be useful to the organization in another capacity. Use the following checklist as a good starting place when considering such gifts.

1. Do not accept gifts of a nature inconsistent with the goals and objectives of the organization. For example, Mothers Against Drunk Driving probably would not accept a gift of an operating bar serving alcohol.

2. Have the property inspected for hazardous waste contamination before accepting.

3. Evaluate the gift in light of debt, insurance, homeowners' association fees, and other carrying costs. Do not accept property with debt unless the debt is less than 50 percent of the appraised value.

4. Ensure that there are no restrictions, easements, liens, or other title issues that would impair the value or marketability of the property.

5. Require the donor to retain an independent appraiser to establish the fair-market value of the property. Factors such as high taxes, sizeable debt, or other carrying costs may dictate that the property be sold as quickly as possible for a lesser price.

6. Require that all documents be subject to legal review prior to accepting the property; also insist on title insurance.

7. List the property for sale with a licensed real-estate broker as soon as possible if it will not be used by the organization.

8. Retain legal counsel specializing in estate planning to facilitate the gift process if the donor wishes the gift to be used to fund a charitable trust or as part of a planned-giving program.

9. Consider avoiding gifts of lake lots, trailer park lots, time-shares, and lots in planned communities. These properties may not be worth the effort to acquire and sell because they typically sell for less than $2,500 and the expense of selling them could be equal to or greater than the net proceeds.

10. Be wary of gifts of property saddled with conditions or restrictions. For example, a property with a "reversionary interest" is given for a very specific use. If it ever ceases to be used for that stated purpose, the property reverts back to the donor or the donor's heirs. Accepting these conditions could mean spending more money to meet the conditions or losing the property at a later date because of failure to heed donor restrictions.

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