



Applies to: All university personnel responsible for the management of real estate investments owned directly by the university or Ohio State University Foundation

Responsible Office

Office of Business and Finance

POLICY

Issued: 01/27/2008

Revised: 01/07/2021 (minor revision)

The university will regularly appraise all real estate investments to determine current market value.

Purpose of the Policy

To establish management over the valuation of certain types of real estate investments owned directly by the university or Ohio State University Foundation.

Definitions

Term	Definition
Exception	Any violation of or noncompliance with a university policy issued by the Office of Business and Finance (Business and Finance).
Waiver	Permission granted to a unit to operate differently than specified or required by a university policy issued by Business and Finance.

Policy Details

- I. Background
 - A. The university’s long-term investment pool invests in real estate using various vehicles.
 - B. There are professionally managed funds, including real estate investment trust (REIT) and real estate oriented private equity funds. These funds are managed by third party real estate managers and incorporate their own formal valuation and revaluation policies and procedures. These funds are not the focus of this policy.
 - C. The long-term investment pool may directly own real estate. The Ohio State University Foundation receives real estate gifts, most of which are sold, but may be held for investment. The university’s general fund may also own investment real estate. This policy covers these types of real estate investments, including those owned directly by the university or Foundation for investment purposes.

PROCEDURE

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- I. Valuation
 - A. Real estate investments are valued at market value for reporting purposes.
 - B. Market values are determined by obtaining a qualified appraisal of all directly-owned real estate properties. [Appraisal Institute](#) appraisers are used to determine fair market values.
 - C. Each directly-owned real estate investment property will be appraised at least every two years, unless a deferral is warranted. Appraisals will typically be conducted in the spring, to be available for June 30 valuations.
- II. Valuation Deferrals
 - A. In certain instances a valuation may not be needed.
 - B. Financial Services must perform the following steps to conclude whether an appraisal is necessary or a deferral is warranted:
 - 1. Perform and document a walk-through of the property.



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2. Consult with real estate appraiser(s) or broker(s) concerning market conditions, documenting conclusions.
 - C. If after collecting the above information, if it is determined that the market value has not changed from the previous appraisal, then a deferral will be made and documented.
 - D. A deferral should not be made two consecutive times.
 - E. Every property must be appraised at least every four years.
- III. **Waivers** to this policy must be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance University Policy Waiver Request](#).
- IV. Policy Violations
- A. All policy violations must be tracked as an **exception** in accordance with the [Fiscal Stewardship policy](#).
 - B. The university may require successful completion of training.
 - C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
 - D. The university may seek restitution, as appropriate.
 - E. Criminal charges may be filed, as appropriate.

Responsibilities

Position or Office	Responsibilities
Financial Services	Perform steps to conclude whether an appraisal is necessary or a deferral is warranted, as appropriate.

Resources

Governance Documents

Financial Code of Ethics, busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf

Fiscal Stewardship policy, busfin.osu.edu/sites/default/files/111_internalcontrols.pdf

Business and Finance University Policy Waiver Request,

docusign.net/Member/PowerFormSigning.aspx?PowerFormId=fd68959a-4afb-48bb-a0ae-67521b9ad821&env=na1&acct=387d1013-fb1c-4705-9bd9-7cf575f484ce&v=2

Appraisal Institute, appraisalinstitute.org/

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Financial Services, Office of Business and Finance	614-292-6261	busfin.osu.edu/treasurer
Policy questions	Office of Investments, Office of Business and Finance	614-292-7887	busfin.osu.edu/investments

History

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