

University Policy 500.03 GIFTS IN-KIND

Responsible Administrator: Vice President for Institutional Advancement

Responsible Office: Institutional Advancement

Originally Issued: September 2006

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Authority: Office of the President

Policy Statement

It is the policy of Claflin University to ensure the proper processing to include the valuation and recording of gifts in-kind.

Statement of Purpose

This policy ensures proper handling of gifts in-kind.

Applicability

This policy is applicable to officials who receive and process gifts in-kind on behalf of Claflin University.

PROCEDURES

Gifts in-kind are defined as non-cash donations, other than real and personal property, of materials or long-lived assets. These gifts may include such items as art, equipment, software, software licenses, printed materials, food or other items used for hosting dinners which generally come from companies, corporations, or vendors (in contrast to individuals, who typically give personal property); however, individuals may sometimes donate gifts in-kind.

Considerations Regarding Potential In-Kind Gifts (Donations)

Upon an offer of an in-kind donation, University officials should consider factors directly related to the benefit of the donation to the University. Depending upon the nature of the potential donation, Institutional Advancement officials should consult with other appropriate University officials to determine whether the donation should be **accepted or not accepted**. An example of consultation between offices would be a donation of software in which there is discussion involving the University's Institutional Advancement and Information Technology officials to determine the benefit(s) of the particular donation to the University.

Factors which may impact the **acceptance or the non-acceptance** of in-kind donations include, but are not limited to the following considerations:

1. Is the donation relevant to the work of the university?
2. Will accepting the donation jeopardize the reputation of the donor or the university?
3. Does the donor's intent match the interests of the university?
4. Will the donation cost the university money in the future, such as maintenance, repair, or preservation costs?

5. Are there any risks associated with accepting the donation?
6. Will the donation require a special facility in which to house it?
7. Are there any special conditions the donor may impose?
8. If the property cannot to be used in university programs, will the donor allow it to be sold?
9. Do the benefits of accepting the donation outweigh other costs and considerations?

The Donor

Gifts of materials or long-lived assets that are directly related to the mission of the institution should be reported at the face (fair market) value. For all gifts in-kind, especially items such as equipment and software, report the educational discount value (if an educational discount is offered) – that is, the value the institution would have paid had it purchased the item outright from the vendor. Regardless of what the estimated value a vendor may place on a gift in-kind, the recipient should only count as a gift the amount it would have paid for the item or items were they not donated.

Federal tax laws limit the income tax charitable contribution deduction to the fair market value of the property as of the date of the gift. Under certain circumstances, the amount of the deduction may be reduced. Examples of property for which the deduction is less than fair market value include, but are not limited to, inventory property, short-term capital gain property, and tangible personal property, the use of which is unrelated to Claflin University's exempt purpose. *The burden of proof regarding the amount of deduction rests with the contributor.*

If a donor's non-cash contributions exceed \$500, a Form 8283 (Non-Cash Charitable Contribution) may be required. All gifts in-kind with a value of more than \$5,000 **must** include an appraisal executed by a qualified independent appraiser at the donor's expense. The appraisal should be completed within 60 days of the donation of the in-kind gift. Donors shall be advised to consult their tax advisor regarding the substantiation, reporting, and deductibility of their contributions.

The University

Claflin University makes no determination as to the value of gifts in-kind. The University verifies donated items through a gift in-kind tax verification form, without reservation, for the University's use, resale, or disposal. The University's Institutional Advancement Office is responsible for the processing and the recording of all gift in-kind. Upon proper receipt and recording of gifts, Institutional Advancement staff generates an acknowledgment letter. In addition, staff generates a gift detail report and submits it to the Senior Accountant in the University's Fiscal Affairs Office.

Claflin University
Orangeburg, South Carolina

Gifts In-Kind Form

Instructions: Please complete the following form on gifts in-kind received in your School, Division, Department and/or Office. For documentation and acknowledgement purposes, completed forms are to be submitted to the Office of Institutional Advancement, third floor Tingley Memorial Hall, Suite 10.

Claflin University verifies that the following item(s) were donated, without reservation, for the University's use, resale, or disposal; and that the University makes no determination as to value.

(Please Print or Type)

Contributor: _____

Phone: _____

Address: _____

E-Mail: _____

City State Zip Code

Received by: _____

Date: _____

School, Division, Department, or Office Name:

Claflin University thanks you for your In-Kind Contribution; please list and give a description of donated property sold, exchanged, or otherwise disposed of below. (A separate statement may be attached.)

Estimated Fair Market Value*

*If any item has a value of more than \$500, please provide a receipt.

Donor
Name: _____

If Corporation, Representative's Name:

Address:

City, State, Zip: _____

E-Mail: _____

Phone: (____) _____

Date:

This charitable organization acknowledges that it is a qualified organization under section 170 (c) and that it received the donated property as described above.

Signed: _____
School, Division, Department, or Office Representative

Date: _____

Signed: _____
Institutional Advancement Office Representative

Date: _____

