

Gifts-in-Kind Policies and Procedures

DEFINITION

Non-cash gifts of tangible or intangible property are generally known as gifts-in-kind. Tangible property can fall into two distinct categories, and its value is derived from its physical existence: (1) objects, such as equipment, software, automobiles, printed materials; (2) services, such as providing photography services. Intangible personal property is property whose value stems from intangible elements. Examples include patents and copyrights.

PURPOSE

To ensure that donors receive proper gift credit, acknowledgement, and stewardship, and to ensure that the gifted property is entered into the university's fixed asset inventory when appropriate. All in-kind gifts need to be reported to the SOU Foundation and to Business Services upon receipt.

ACCEPTANCE

It is the responsibility of the university representative accepting an in-kind gift to understand the university's policies prior to accepting a gift. It is, therefore, important that the representative, program, or office consider the value of the gift to the university. Please consider carefully the following before accepting a gift-in-kind:

1. Is it relevant to the work of the university? As a general rule, accept only gifts that further the work of departments and programs at the university.
2. Will accepting the gift jeopardize the reputation of the donor or the university? Does the donor's intent match the interests of the university?
3. Will the gift cost the university money in the future, such as maintenance, repair, or preservation costs?
4. Are there any risks associated with accepting the gift?
5. Will the gift require a special facility in which to house it?
6. Are there any special conditions the donor may impose?
7. If the property cannot to be used in university programs, will the donor allow it to be sold? If the donor places a condition on the gift that it is not to be sold, the gift should not be accepted.

8. Will the gift require a loan agreement with the SOU Foundation? That is, will the foundation own the property and then loan it to the university for a specific use? If so, contact the SOU Foundation before accepting the gift.

If any additional costs may be necessary to accept and keep the gift and are not normally part of the program's operating budget, the person receiving the gift should consult with his or her supervisor, program chair, division director, or vice president in advance of accepting the gift. Final approval lies with the division director or appropriate vice president.

Acceptance of Gifts-in-kind--SOU

SOU accepts gifts-in-kind that will be retained for the university's operational use, such as equipment and furniture. These items should be donated directly to the university if the intent is to retain the property for a period of three years or more. Once determined that this is a gift to the university, the SOU department receiving the gift is required to send a completed "Gift In-Kind Contribution Form" to the Development Office/SOU Foundation for tax acknowledgement. Gift and administrative fees are not imposed on gifts-in-kind accepted by SOU that will remain on campus.

Acceptance of Gifts-in kind--SOU Foundation

For donated property that is to be retained for less than three years or to be sold upon acceptance, the donation should be made directly to the SOU Foundation. Unless other arrangements have been made, tangible personal property donated to the SOU Foundation will be liquidated as soon as possible and proceeds used to benefit the university. Gift and administrative fees are imposed on gifts-in-kind donated through the SOU Foundation when the property is liquidated

VALUATION AND REPORTING

Valuation refers to the value placed on the property gift for university gift crediting and property control purposes. It should be noted that the university's valuation might differ from what the donor claims as a tax deduction. It is the responsibility of the donor to be able to substantiate to the IRS the gift value noted on his/her income tax form.

Gifts of personal property that qualify as a charitable deduction for a donor will be valued and recorded at fair market value. Fair market value may be determined by:

1. A written appraisal, or
2. Documentation obtained from a qualified outside source such as "blue book" or a knowledgeable dealer, or
3. Documentation obtained identifying what it would cost the university if it were to purchase the gift outright from a vendor or an original bill of sale for new equipment.

Special rules exist for the valuation of “exceptional items” such as rare or historical items or works of art.

When donors pay for event expenses, the value placed on the gift must be substantiated with both the event receipts (such as a catering invoice) and payment documentation (such as a credit card receipt) to show actual payment for the expenses.

Documentation that supports the donor’s valuation should be submitted at the time the gift is to be booked by the receiving organization. Note that the SOU Foundation will not absorb appraisal costs, nor is there a “central” university fund to absorb such costs. University departments and programs are encouraged to pay for appraisals only if they deem it necessary and appropriate for proper insurance and inventory. Please note that the university should never pay for an appraisal for a donor.

PROPERTY CONTROL

It is the responsibility of the department or program accepting the gift to ensure that tangible property is entered into the university’s fixed asset inventory. This is true for property accepted by the SOU Foundation and by departments and programs within Southern Oregon University. It is the policy of the university to enter items into inventory if their value is greater than \$5,000.

GIFT PROCESSING

Gift Description

All donors of in-kind contributions will receive a receipt that does not specify a dollar value of the gift received. Instead, the receipt will contain a description of the gift (e.g. make, model number, year, etc.). If the donated item is of significant value, a receipt will be generated only when all materials that describe and substantiate the value of the gift have been received.

The value of the in-kind gift will be recorded on the donor’s giving history and used by the Foundation for recognition purposes only.

Gift Acknowledgement

All in-kind gifts should be acknowledged by SOU. Department and/or program heads, faculty members, and division directors are encouraged to thank donors as soon as the gift is entered into the university’s books and recorded on a donor’s record. The SOU Foundation will notify departments and programs when in-kind gifts are received by the foundation.

A SOU Foundation provides tax acknowledgement for all in-kind gifts received by the university and the foundation.

PROCEDURES

The following procedures should be followed when a department, division, or program representative intends to accept a gift-in-kind:

1. Determine the purpose of gift.
2. Determine the value of the gift.
3. If the gift to be donated will be liquidated within three years, contact the SOU Foundation. If the gift will remain on campus, ensure that the appropriate campus individuals are notified (e.g. division director, vice president, etc.)
4. For ease of processing, Southern Oregon University and the SOU Foundation have created a comprehensive form that can be filled out by any department or program. Completed forms should be sent directly to the SOU Foundation for further processing. The "Gift-in-Kind Contribution Form" form is located on the SOU Foundation website.
5. The SOU Foundation will process the gift, generate receipts, and enter the fair market value of the gift on the donor's official gift record as soon as the completed paperwork has been received by the Foundation.
6. If the value of the gift is determined to be \$5,000 or greater, the SOU Foundation will forward a copy of the form to Business Services for proper entry into inventory and asset management.

Effective: March 2016