Policy on Gifts-in-Kind and Acceptance of Gifts-in-Kind

PURPOSE:
This California State University Channel Islands (CSUCI) policy establishes the definition of and guidelines for gifts-in-kind, including the acceptance, use, and reporting of gifts-in-kind.

This policy also sets a process to formally track and log with information regarding the assets’ useful life and final disposition, as required by CSU Auxiliary Organizations Sound Business Practices Guidelines §3.0, Donations, Programs Service Fees, Other Income.

BACKGROUND:
From time to time, the University may receive gifts of tangible items that are useful for student and academic programs, instruction and other purposes that further the core mission and priorities of the campus.

POLICY:
Accountability:
President, Provost, Vice President for Business & Financial Affairs, Vice President for Student Affairs, Vice President for Technology & Innovation, and Vice President for University Advancement, and/or respective designees.

Applicability:
The policy applies to all University administrative and academic units, auxiliary enterprises and auxiliary organizations.

Definition(s):
Gift-in-kind: a donation of goods or property to campus. Examples include:
- Equipment
- Laboratory supplies
- Catering
- Jewelry
- Usable props
- Coins/Stamps
- Office Supplies
- Vehicles
- Gift cards
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Policy Text:
The University may accept gifts of personal property, subject to a related use by the University or an understanding that the assets will/may be liquidated for cash. The University, rather than the CSU Channel Islands Foundation, will be the recipient of the gifts-in-kind. University Advancement acts on behalf of the University and the Foundation to facilitate the acceptance and acknowledgment of such gifts.

Such gifts shall be used to further the core mission and priorities of the University and may include gifts of art, artifacts or other objects (including fractional interests).

The program area receiving the gift must ensure adequate funds are available to receive, maintain or dispose of the property, if applicable. Gifts-in-kind to the John Spoor Broome Library are handled separately and guided by UA.02.001 - Policy on Procedures for Acquisition, Acceptance, and Loans to the University and Deaccession.

The use, need of, and, if applicable, identified funds needed to maintain the property should be clearly documented and approved by the appropriate Vice President or designee. As part of the approval process, the program area receiving the gift must verify and address any restrictions or contingencies imposed based on applicable federal, state, local, and University regulations. If applicable, Risk Management or General Counsel may be asked to provide approvals as well. These approvals will be coordinated through the office of University Advancement.

Gifts-in-kind are by their very nature, hard to value assets. Unlike cash, or even marketable securities (which can be valued daily by the stock market), these assets require a determination of value. The IRS Regulations have been clarified in recent legislation, and now require a “qualified appraisal” for any gift of $5,000 or greater.

For gifts less than $5,000 in value, the donor must provide the following documentation:
- Indication of ownership
- Intent to donate
- Estimate of value – value for personal items should be the resale value (i.e.: thrift store value)

Such documentation is not required if the gift is accompanied by receipts, invoices, or value is readily established (i.e.: gift cards). Gifts without proper valuation may be accepted, but will be booked at the nominal value of $1.00.
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For gifts-in-kind greater than $5,000, the University is required to sign an IRS Form 8283 which is submitted with the donor’s tax return to substantiate the gift. The form will identify the asset(s) donated, but will not assign value. Value is determined by an appraisal from a “qualified appraiser” who has been retained by the donor at no expense to the University.

Gifts-in-kind will be held or sold at the sole discretion of the University. As such, the University reserves the right to deaccession objects in accordance with the guidelines established in the Procedures for Acquisition, Loans to the University, and Deaccession. If an asset is sold within three years, the University is required to file an IRS Form 8282, indicating the value received in the sale. This may have implications for the donor’s initial charitable deduction, should the value be significantly different.

Gifts of real and personal property for which donors qualify for a charitable deduction should be counted at their fair market value. Gifts-in-kind such as equipment and software shall be counted at their educational discount value which, for purposes of these standards of reporting, shall be deemed to be the fair market value.

EXHIBITS:
Procedure for Accepting a Gift-in-Kind
Deed of Gift Form