
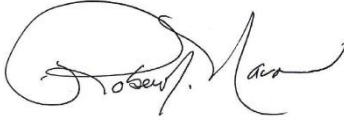


SUBJECT: GIFT IN-KIND	Reference: GP-009
SECTION: GIFT PROCESSING PROCEDURES	PAGE: 1
DEPARTMENT: ADVANCEMENT SERVICES AND OPERATIONS	OF: 6
	EFFECTIVE: 7/30/2020
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PURPOSE

The purpose of the Gift In-Kind Procedure is to establish proper internal controls for the acceptance and receipting of non-cash gifts and meet the set requirements established by the University.

ACCEPTANCE

The Gift Acceptance Committee is responsible for authorizing the acceptance of gifts that fall outside the purview of standard Development operations. Examples of such gifts may include:

- Outright gifts of real property or an interest in real property
- Gifts that require construction/renovation of facilities not previously authorized by the University
- Gifts of real property when a bequest is realized
- Gifts of personal property with a fair market value exceeding \$5,000 if not to be used by the University in accordance with the educational mission
- Gifts of artwork, archives, literary collections, historic papers and other creative gifts, other than those accepted with the intent to market and convert to cash. (The Art Acquisition committee will recommend to accept/not accept works of art to the gift acceptance committee.)

Exceptions:

- 1) Gifts made to RAFFMA must be approved by the RAFFMA Acquisition Committee.
- 2) Gifts to the Pfau Library
 - a. A deed must be provided when there is an appraised value and GIK is designated for Special Collections.
 - b. The Pfau Library may provide a yearly gift memo to Advancement Services and Operations of donated items that have gone into circulation.

VALUATION OF GIFT

It is the responsibility of the donor to value the gift for their tax deduction purposes. Detailed guidelines outlining the requirements can be found in *IRS Publication 561, Determining the Value of Donated Property*. The donor is responsible for submitting *IRS Tax Form 8283* to the IRS. Donors should be advised to contact their tax advisor for assistance.

- 1) Gifts valued at more than \$5,000 require an independent qualified appraisal and *IRS Form 8283*.
 - a. If the gift lacks *IRS Form 8283* (individuals only), the gift is recorded at the appraised value, but flagged as having an estimated value.
- 2) Gifts valued at \$5,000 or less may be valued in the following ways:
 - a. The value placed on the gift by a qualified independent appraiser. While not necessary for gifts under \$5,000, the donor may nonetheless obtain such an appraisal.
 - b. The value declared by the donor with supporting documentation such as:
 - i. Paid bill of sale
 - ii. The invoice and a copy of the check or personal credit card statement show payment
 - c. The value determined by a qualified expert on the faculty or staff of the institution, but not an individual whose fundraising totals will be directly affected by the gift.
 - d. The value established by the purchaser's winning auction bid at a charity event. Only the amount above the predetermined fair market value may be claimed as a contribution.
 - e. If insufficient or no value determined, a token value of \$1 will be assigned to the gift. The donor has until the end of the current fiscal year to provide documented value, otherwise the token value will remain.
- 3) Gifts over \$500, donor should complete *IRS Form 8283 (Noncash Charitable Contributions)* if he/she desires a tax deduction for the gift.

- a. The donor is responsible for submitting *IRS Tax Form 8283* to University Advancement for official signatures
- b. University Advancement will return the signed form to the donor.
- c. The donor is responsible for submitting *IRS Tax Form 8283* to the IRS

PROCESSING

- 1) The Development Officer working with the donor or department receiving the gift must submit a completed and signed Gift Transmittal Form to Advancement Services and Operations within 45 days of receipt. The Gift in Kind transmittal form should have the signature of the college dean, department director, or division vice president acknowledging receipt of the GIK.
- 2) Gift Processor enters GIK into donor database (*see reference B-3 (h)*)
- 3) A copy of documentation shall be forwarded to stateside CSUSB Financial Services if the gift-in-kind of equipment or property is valued above \$500 and is determined to belong to campus and not an Auxiliary such as University Enterprises Corporation, Associated Students Incorporated, Student Union, or the Philanthropic Foundation.

RECEIPTING

Advancement Services issues a donor receipt noting the specific gift-in-kind without noting a dollar amount, per *IRS Publication 1771 S*.

AUCTION ITEMS

Auctions can be held as stand-alone activities or in conjunction with other fundraising events (i.e., golf tournament).

- 1) Items for auction may be claimed as gift-in-kind donations for tax-deduction purposes by the donor.
 - a. This does not, however, include gifts of services (i.e, the value of your time or professional services) or the use of property (i.e., vacation home, timeshare property, etc.) as outlined in *IRS Publication 526, Charitable Contributions*.
- 2) All items to be auctioned off should have a clearly shown/described FMV (fair market value) assigned prior to the beginning of the auction. The estimated FMV can be determined in any of the following ways:
 - a. The value placed on the item by a qualified independent appraiser;
 - b. The value declared by the donor through a bill of sale or an invoice and a copy of the check or personal credit card statement showing payment;

- c. The value determined by a qualified expert; or
 - d. The value established by a purchaser's winning auction bid – only if no FMV of the item was available before the auction.
 - e. Donated items with FMVs in excess of \$5,000 require a qualified independent appraisal. Attach all supporting documentation, including the appraisal, if required, and forward to the Advancement Services Office.
- 3) The auction sale price does not affect the deduction donors of the auction items may claim (if any) on their income tax return.
- 4) Auction items purchased in excess of FMV will receive a charitable deduction and gift receipt for the amount paid over the FMV.
- 5) Submit a completed Auction Notification Log Advancement Services and Operations Department for gift entry. Include the following:
- a. Original Donor's Information
 - b. Name of Item
 - c. FMV
 - d. Date of Donation
 - e. Date of Auction/Liquidation Date
 - f. Location of Auction
 - g. Purchase Price
 - h. Winning Bidder's Name, Address/Email, Purchase Method

GIKs of Real Estate

(Include description for real estate)

1. Gifts Review and Acceptance Process:
- a. The Vice President of University Advancement/Executive Director of the Philanthropic Foundation and the Associate Vice President of Advancement Operations assess the property history, market conditions, potential environmental concerns, property value and cost of maintenance.
 - b. A recommendation is made to the Executive Committee of the Foundation Board of Directors to accept or reject the property.

- c. The Executive Committee puts forth the recommendation of the acceptance of the real estate to the CSUSB Philanthropic Foundation Board of Directors. No gifts of property may be accepted without approval by the Foundation Board of Directors.
2. University Advancement:
 - a. Informs the donor of acceptance or rejection of the property.
 - b. Requests from the donor IRS Form 8283. (Non-cash Charitable Contributions).
 - c. Requests from the donor an acceptable title and qualified appraisal for the property.
 - d. In consultation with the Office of the Foundation Counsel, transfers the executed deed to the Foundation.
 - e. Notifies the Foundation Chief Financial Officer of property value.
 - f. Forwards a copy of all documentation to the University Controller for booking on the Foundation General Ledger.
 - g. Forwards all documentation to Advancement Services for gift accounting.
 3. The Foundation Executive Committee:
 - a. Approves or refuses real estate gifts based on whether it is a prudent investment for the Foundation.
 - b. Recommends to the Board for approval.
 4. Advancement Services:
 - a. Records the gift in the donor database on the donor's record.
 - b. Sends a receipt to the donor.
 - c. Forwards gift information to the Departments and Development Officers for appropriate acknowledgment and recognition.
 - d. The bargain sale of real estate to a charity is part sale and part gift. When a property is sold to the CSUSB Philanthropic Foundation for less than its fair market value, the seller's charitable gift is the difference between the sale price and the property's appraised fair market value.
 - e. If a donor is considering a bargain sale of real estate to California State University, San Bernardino the Gift Acceptance Committee must review the terms.
 - f. Notifies the University Controller when the property is sold.

Retained Life Estates

1. A donor may give a personal residence of vacation home to the CSUSB Philanthropic Foundation for the benefit of the University and reserve the use of the property for life or a term of years.
2. As with other gifts of real property, it is the donor's responsibility to obtain an independent appraisal of the value of the property.
3. The Gift Acceptance Committee must approve all gifts of real property.

LIQUIDATION/DISPOSAL

If the item is sold, exchanged, or otherwise disposed of within two years after the date of receipt, the Foundation will be required to file IRS Form 8282 (Donee Information Return) with the IRS and will provide the Donor a copy of that form. Gift Processor updates donation record with liquidated amount and date