



San Francisco State University

We Make Great Things Happen

Gift in Kind Donation Procedures

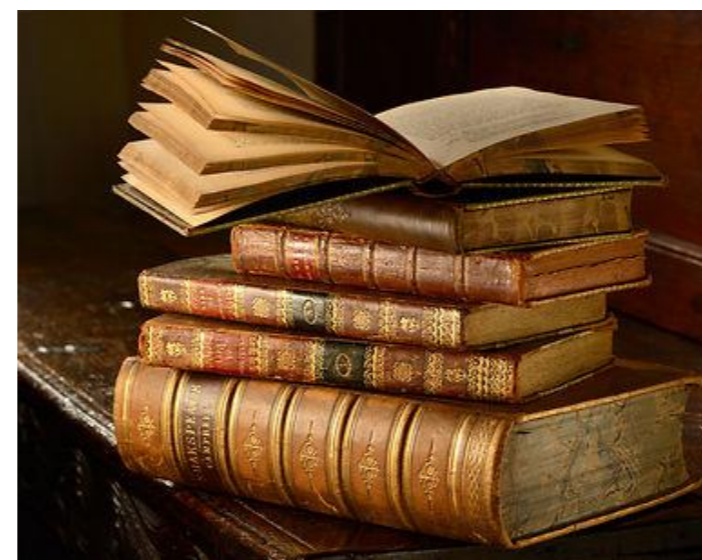
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November 20, 2015

What is a Gift-in-Kind Donation?

Gift-in-kind donations (such as paintings, books, antiques, sculptures, furniture, and equipment) can provide valuable materials to the University.

- San Francisco State University may accept or decline gifts-in-kind (GIK) on an individual basis based on whether the gifts provide educational value or otherwise serve the University's purposes.
- Departments should be consulted prior to the acceptance of any GIK for use by that department or its programs to ensure that the gift is wanted and can be used.



What is a Gift-in-Kind Donation, continued

- AVP for University Development should be consulted prior to the acceptance of any unusual GIK if there is a need for cash or State funds to maintain the gift or if there is a question about restrictions attached to a gift offered to the University.
- University must consider requirements for special storage, display, insurance, or security measures prior to the acceptance of a GIK.
- The exact placement of furniture, artworks, or equipment cannot be guaranteed.
- Transportation and appraisal costs related to the acceptance of a GIK must be endured by the donor.

Instructional and Non-Instructional Use

Related or unrelated use – only has to do with how the organization intends to use the property.

Instructional (Related Use) to the purpose or function constituting the basis of the charitable organization exemption under Section 501(c)3

- A painting contributed to an educational institution and used by the organization for educational purposes by being placed in its library for display and study by art students
- Furnishings contributed to a charitable organization and used in its offices and buildings in the course of carrying out its function.

Non-Instructional (Unrelated Use) to the purpose or function constituting the basis of the charitable organizations' exemption under Section 501(c)3

- A painting contributed to an education institution which is sold and the proceeds used by the organization for education purposes
- A bottle of wine contributed to a charitable organization and sold at a fund-raising auction.

Instructional and Non-Instructional Use

Donor Issue:

The amount that can be deducted for contributions of tangible personal property is affected by whether the property is put a related or unrelated use:

- Related use: full fair market value
- Unrelated use: donor's "basis" (typically what the donor paid)

Generally this only becomes an issue for items that appreciated in value while the donor owned them (paintings, jewelry, etc.).

Gift Acceptance Committee

The San Francisco State University Gift Acceptance Committee:

- Vice President for University Advancement.



- Associate Vice President for Development.



- Vice President/CFO of Admin and Finance (or their designee).



- Chief of Operations for Advancement who serves as the recorder.



- Director of Advancement Services and Development Officers for the benefitting unit or other faculty /administrators may participate in determining the gift acceptability.

Gift Acceptance Committee

- The department or college representative of the recipient unit should complete the Gift-in-Kind Acceptance Form and provide a valuation of the Gift-in-Kind consistent with policy.
- The GIK Acceptance Form is signed by the Dean or department chair and submitted, along with all supporting documentation, to the Development Office in ADM 153.
- The Chief of Operations for Advancement will coordinate the review by the Gift Acceptance Committee i.e. acceptance of each gift of software, special collections, real estate, vessels (cars, boats, airplanes, etc.), tangible or non-tangible assets or gifts-in-kind of \$25k and above.
- Approval by the Gift Acceptance Committee must be noted on the GIK Acceptance form.

Gift-in-Kind (GIK) Acceptance Form

All donated non-cash items should be documented as gift-in-kind donations as they are considered charitable donations to the University. The following documentation for GIK donations should be provided to the Office of University Development for processing and acknowledgement purposes:

A [Gift-In-Kind Acceptance Form](#) needs to be filled out by the College/Department representative and approved by the Dean, Department Chair or Program Director. The form should also be approved by the Director of Development for the appropriate college or department, the Associate Vice President (AVP) of Development, the VP of Advancement (if applicable) and the VP of Admin and Finance (if applicable). The GIK Acceptance form should provide the following information:

- Date donation was accepted by the University
- College/Department that received the gift
- Contact person who accepted the gift and his/her campus extension
- Detailed description of the donation
- Donor’s name and address
- Fair market value of the donated item
- **NOTE: If the fair market value of a GIK donation is \$5,000 or above an independent appraisal must be submitted as well**
- If Form 8283 has been submitted, please indicate in checkbox
- Indicate whether the gift is for instructional or non-instructional use
- Where on campus the gift-in-kind will be located

**UNIVERSITY ADVANCEMENT
GIFT IN KIND ACCEPTANCE FORM**

Date: _____ College/Department/Unit/Program: _____
 GIK Contact Person: _____ Campus Extension #: _____

Please attach signed Donor Intend Form or other documentation

Description: _____

Donor Information (Name, Address, Phone Number, Email): _____

GIK Estimated Value: _____

Gift in Kind gifts of \$5,000 and above require an appraisal.
 The appraisal must be validated by an independent and verifiable source.
 Please attach the appraisal.

If value of \$5,000 or more, did donor submit IRS Form 8283? Yes (attach copy) No

Gift will be used for Instructional Purposes Non-instructional Purposes

If known, describe where GIK will be located: _____

Estimated additional cost*: _____

Moving/Delivery/Repair/Maintenance: _____

*See *Conditions (c)* below

Comments: _____

Approval of Gift Acceptance:

Director of Development _____ Vice President, University Advancement (when applicable) _____

Dean of College/Department Chair/Program Director _____ Vice President, Administration and Finance (when applicable) _____

Associate Vice President, University Development _____


Conditions:
 The Board of Trustees has determined that, except for certain reservations, any gifts of money or property that assist the University in carrying out its purpose and functions should be accepted by the Administration of the University. Any gift of equipment, other than an automobile, truck or boat**, is welcome if (a) there is no trust condition, reservation or restriction on its use; (b) it will not require more than 100 square feet of floor space for use or construction of specialized facilities; (c) it will not require amounts of State funds for operation, repair and maintenance that are unreasonable in relation to the items received; and (d) it is acceptable to the University's Administration. Gifts of cash, securities, trusts, insurance, bequests, real estate and gifts in kind are welcomed and encouraged by San Francisco State University for the furtherance of its educational goals. It is in relation to the item received, and (d) it is acceptable to the University's Administration. Gifts of cash, securities, trusts, insurance, bequests, real estate and gifts in kind are welcomed and encouraged by San Francisco State University for the furtherance of its educational goals. It is recommended that donors consult their own tax advisors concerning their individual situations and applicable state and federal tax laws.

** Under certain conditions, the Chancellor is permitted by the Board to approve the University's acceptance of vehicles for use by departments, programs or projects on campus.

11/2015 JK

Donor Intent Form

A Donor Intent Form needs to be filled out and signed by the donor. We will also accept a letter or an email from the donor that provides a description of the gift, purpose and the fair market value of the donated item(s). If the donation is a gift certificate, we will accept a copy of the gift certificate.



SAN FRANCISCO STATE UNIVERSITY

UNIVERSITY ADVANCEMENT DONOR INTENT FORM

Print Form
Reset Form

Gift Administration
Office of University Development
San Francisco State University
1600 Holloway Avenue, ADM 153
San Francisco, CA 94132

Dear Sir or Madam:

This form is to certify my/our transfer of the following property as a charitable contribution to San Francisco State University.

Sincerely, _____
Signature(s)

Date:

Name(s): _____
(Please print your name as you wish it to be printed in donor publications)

Address: _____

City: _____ State: _____ Zip Code: _____

Gift Description: _____
(Please be specific)

Purpose of Gift: _____

Quantity: _____ Fair Market Value: _____
(\$5,000 and above requires independent appraisal)

Recipient Department: _____

Gifts-in-Kind appraised at under \$1,000 will not be acknowledged unless requested by donor.
Acknowledge letter requested: YES NO

Gift-In-Kind Acknowledgement

All GIK donations of \$4,999 and below will be acknowledged with an official thank you letter for tax purposes signed by the Associate Vice President (AVP) for University Development. As per IRS, the thank you letter will be provided with the description (**but not value**) of the non-cash contribution. The donor is responsible for estimating the value of non-cash contributions when they are reported to the IRS on a donor's tax return.

GIK appraised between \$5,000 and \$24,999 for individuals and at \$10,000 and above for organizations are acknowledged with a letter prepared by the Donor Relations Coordinator and signed by the AVP for University Development or VP for Advancement.

GIK appraised at \$25,000 and above for individuals are acknowledged with a letter prepared by the Donor Relations Coordinator and signed by the President.

GIK Valuation and What is Fair Market Value

San Francisco State University is not responsible for affixing value to any gift; it is the responsibility of the donor to prove the value (Exception: GIK from Canadian residents require San Francisco State to affix the value). Gifts are recorded in Advance at their appraised or estimated fair market value. They may not be used as a payments on pledges. Receipts generated from Advance do not indicate the recorded value but simply provide a description of the gift:

On behalf of San Francisco State University, thank you for your gift of a Wacom interactive pen display tablet, which we received on September 15, 2015, for the Cinema Department in the College of Liberal & Creative Arts.

IRS definition of fair market value is “The price of exchange between willing buyer and willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.”

IRS Regulations for GIK in Three Categories:

Gifts under \$500 or that do not have appraised value assigned

The University is required only to acknowledge the gift and provide a description of the donated item. The estimated internal value should be noted on the GIK Acceptance form, and donors will receive gift credit for this amount on Advance.

\$500-\$4,999

The donor must keep adequate records (receipts or appraisals, if one has been obtained) pertaining to the value of the donated items. Appraisals for these items are not required and need not be attached to the donor's tax return, but the donor must file [IRS Form 8283 – Non-cash Charitable Contribution](#).

\$5,000 and above

An independent appraisal is required for any GIK valued at \$5,000 or more. (Note: the educational discount value or the fair market value of a gift of equipment may be established and documented from independent pricing guides such as internet sites for the sale of used equipment or a retail sales list).

Forms 8283 and 8282

Form 8283: Noncash Charitable Contribution

Donor must file a completed IRS Form 8283 with their tax return for the year a deduction is claimed. It must be noted on the GIK Acceptance Form whether a Form 8283 was submitted by the donor. On the form 8283 the University certifies only Section B Part IV: Donee Acknowledgement for donations of \$5,000 and above.

Form 8282: Donee Information Return

Donee organizations use Form 8282 to report information to the IRS about disposition of certain charitable deduction property made within 3 years after the donor contributed the property.

Forms 8283 and 8282

Only the Vice President for Advancement or his/her designee is authorized to sign a Form 8283 on behalf of the University. When the GIK Acceptance Form, supporting materials, and Form 8283 are submitted to the Advancement Services for review and approval, the Director of Advancement Services will coordinate the process for obtaining the Vice President's signature on the Form 8283. The signed Form 8283 will be returned to the Donor Relations Coordinator to forward to the donor, with copies to be retained for gift and donor files.

If a GIK valued at \$5,000 and above is sold by the University within three years of its acceptance and if donor presented the University with the form 8283 for signature (and it's in the file), an authorized designee of the receiving entity (the University, Ucorp or the Foundation) will file the [IRS Form 8282 – Donee Information Return](#) with the IRS. Departments should notify the Advancement Office if a GIK is sold within the three-year period and the Director of Advancement Services will send a copy of the 8282 to the donor.

US Department of Labor Pension Protection Act of 2006

According to the US Department of Labor Pension Protection Act of 2006:

- Gifts of all tangible personal property can be deducted at FMV provided the gift is for a related use.
- If the donee disposes of the property within the tax year in which the contribution was made, the deduction is limited to the lesser of the donor's basis or sales price unless the charity certifies that it had been used for a related purpose or it had been planned to be used but that became impossible or infeasible.
- If the donee disposes of the property in a subsequent year within three years of the contribution, the donor must include as ordinary income the amount by which the deduction exceeded the cost basis.

Acceptance of Gifts-in-Kind

1. Using the above guidelines, the Director of Development should determine that the appropriate College/Department/unit wants or needs the gift, or that it can be sold to benefit of University. Be mindful of the IRS rules regarding selling a gifted item within three years. Consult the AVP for Development prior to agreeing to accept a gift that requires special handling.
2. Notify the donor that the University would be pleased to accept the gift, or provide a truthful but tactful reason why the University cannot accept the gift. If the estimated value is \$5,000 and more, remind the donor of the IRS rulings and the need for an outside appraisal, and assure the donor that VP for Advancement will sign Form 8283 at the time of accepting the gift.
3. Complete a Gift-in-Kind Acceptance Form and route for appropriate signatures with supporting documentation (Donor-Intent Form, donor's letter, email, appraisal, Form 8283). Write a letter of thanks to the donor describing the item but not listing the dollar value.

Gifts of Services/Gifts Certificates

- Gifts of services (e.g., guest rooms or spa treatments donated by a resort hotel), gift certificates for services or tickets to events donated by the provider, rent, donated labor, or professional services are not allowable as tax-deductible gifts. Donors of such services should be acknowledged by the benefiting unit but not receipted.
- The value of person's or organization's time or service is not considered a charitable contribution and is not countable, regardless of whether the individual assists as a volunteer or as a professional providing a specialized service (e.g. accounting, legal work, consulting, or printing). SFSU encourage volunteers providing professional services to bill the institution for the service, accept payment for the institution, and then make a cash gift to the institution. This cash donation is usually 100% tax-deductible. In contrast, the individual could not claim the same deduction for their time.
- Another example, a school event or dinner and one of the guests picks up the check and pays the bill. In this situation only a portion of the bill that includes the cost of food and beverage can be counted as a gift-in-kind donation but not the cost service and tips. If the institution pays the bill and the individual-guest issues the check to the institution that covers the cost of the whole bill, than a full amount of the check will be a tax deductible donation.

Computer Equipment

Gifts of computer equipment are valued according to CSU policy and CASE guidelines, which is generally their educational discount value. Gifts of software must be approved by the campus Gift Acceptance Committee.



Special Collections, Self-Created Works, Royalties

Special Collections

GIK that consist of collections such as works of art, memorabilia, artifacts or other types of tangible personal property – must be considered on a case-by-case before they can be accepted. The Vice President for Advancement's approval is required to accept and record a gift of a special collection.

Self-created works

Since the 1970's, an artist may not claim the fair market value of self-created works donated by the maker to a qualifying nonprofit organization. The artist may only claim the cost of materials used in creating the works.

Royalties

Royalties from vendor affinity agreements, such as alumni credit card programs, are exchange transactions and are not countable.

Record Retention

Per IRS rules and regulations, gift-in-kind donations of \$250 and above will be held in Central Files with no disposal date. All other donations will be kept in hardcopy for three years and electronic/digital format for perpetuity.

For donations from Canadian residents, our retention policies extend to seven years.



IRS Guidelines

- IRS Publication 526, Charitable Contributions, <https://www.irs.gov/pub/irs-pdf/p526.pdf>
- IRS Publication 561, Determining the Value of Donated Property, <https://www.irs.gov/pub/irs-pdf/p561.pdf>
- IRS Publication 1771 – Charitable Contributions – Substantiation and Disclosure Requirements, <https://www.irs.gov/pub/irs-pdf/p1771.pdf>
- IRS Form 8283 – Non-cash Charitable Contribution, <https://www.irs.gov/pub/irs-pdf/f8283.pdf>
- IRS Form 8282 – Donee Information Return, <https://www.irs.gov/pub/irs-pdf/f8282.pdf>

Contact Us



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