

WESTERN KENTUCKY UNIVERSITY FOUNDATION

POLICY AND PROCEDURES MANUAL

SECTION: Development

SUBJECT: Procedure for Acceptance of Gifts of Tangible Personal Property

PURPOSE: To state the general procedures for the acceptance, receipt and documentation of gifts of tangible personal property

PROCEDURE: A. Criteria for Acceptance

Gifts of tangible personal property include, but are not limited to works of art, manuscripts, literary works, boats, motor vehicles and computer hardware. These are generally referred to as Gifts-In-Kind ("GIK's"). In the event that a gift is valued at more than \$5,000, the Executive Director of the WKU Foundation shall decide the acceptability of this type of property by determining that the property is:

1. Readily marketable; or
2. Needed by the University for use in a manner which is related to one of the purposes of the University.

B. Guidelines for Acceptance

1. All Gift-In-Kind ("GIK's") should be reviewed to ensure acceptance will not involve financial commitments in excess of budget or other obligations disproportionate to the usefulness of the gift.
2. Any GIK with total values of less than \$100 need not be processed through the Foundation. The department or program accepting a GIK valued at less than \$100 may acknowledge the gift, but no further processing is required.
3. Any GIK with a value exceeding \$100 shall be processed through the Foundation. While the GIK valued at less than \$5,000 does not require an independent verification of the fair market value of the gift, the development officer or other appropriate departmental official must complete an

Advice of Gift-In-Kind for each gift. This is to be forwarded to the Foundation for gift acknowledgment.

4. GIK's with a value exceeding \$5,000 shall be processed by the Foundation. The development officer or other appropriate departmental official must complete an Advice of Gift-In-Kind for each gift and include an independent appraisal of the gift's fair market value and marketability. This is to be forwarded to the Foundation for gift acknowledgment.
5. Gifts of services, value of income lost, and partial interest in property are not considered GIK's or charitable gifts by the IRS. While this type of gift will not be acknowledged as a charitable gift, it may, however, be included in calculating gift recognition levels for the donor. An Advice of Gift-In-Kind should be completed and marked "non-charitable."

C. Gift Acknowledgment and Disposition

1. A receipt for the donor shall be prepared that will only indicate the item contributed and not a dollar value. It will, however, reflect the following two messages to emphasize the donor's responsibility to obtain tax advice:
 - a. *Your (the donor's) gift may require that you complete IRS Form 8283, together with an appraisal for the donated property. Please consult your tax adviser.*
 - b. *The deduction you (the donor) receive from this gift may be limited to the lower cost or the market value of the goods donated. Please consult your tax adviser.*
2. Upon sale of any property, the development officer or appropriate departmental official shall notify the Foundation, in writing, of the net proceeds of the sale. The Foundation is responsible for filing IRS Form 8282 for gifts of tangible personal property valued at more than \$5,000 sold within two years of the date of gift.

The Board of Trustees will periodically review and revise the gift acceptance policy for tangible personal property as appropriate.