

7.6 Acceptance of Gifts in-Kind Policy

Definition Gifts-In-Kind

Gifts-In-Kind refer to contributions of products or inventory to the college.

Purpose

This policy establishes the conditions under which gifts-in-kind may be accepted by the college and assigns authority for such acceptance.

Conditions for Acceptance

Authority to accept gifts-in-kind is provided under Minnesota Statute 136F .80 and outlined in MnSCU Board Policy 7.7 (Gifts and Grants Acceptance). Under that policy, Central Lakes College is authorized to accept all gifts valued under \$50,000 with the exception of real property, on behalf of the Board of Trustees. All gifts of real property and gifts-in-kind valued at over \$50,000 must be formally accepted by the MnSCU Board of Trustees.

- a. Gifts-in-kind should enhance either the college's day-to-day operations or its mission and goals. Therefore, the college should not accept gifts that are obsolete, damaged or unrelated to its mission/operations.
- b. The following must also be considered before accepting gifts-in-kind:
 - Any potential tort liability
 - Any conflicts of interest
 - The cost of altering, operating or maintaining the gift property
 - Any cost associated with hazardous waste
 - Any taxes or special assessments that must be paid prior to the transfer of the gift title

Responsibility

An administrator will deem the gift appropriate for acceptance by signing documentation as described in corresponding CLC Procedure and notify the donor of applicable IRS policy. All paperwork related to a gift-in-kind will be forwarded to the Business Office, Foundation Director and Public Information Specialist.

The CLC President will acknowledge the accepted gift-in-kind in writing (have a letter drafted for the President's signature). The Foundation Director will also acknowledge the accepted gift-in-kind in writing. The purchasing department will record all accepted gifts-in-kind as part of the official college inventory and provide the Vice President of Administrative Services with a report on such gifts at the end of each fiscal year.

Date of policy creation: 06-02-05

Author: Joe Birmingham/Kari Christiansen:dwesp

Date of Implementation:

Signature of College President: _____



Date: July 1, 2005

1C.3.1 Procedure for Accepting Gifts In-Kind


Gifts-in-Kind will be reviewed, accepted, inventoried and recorded according to the following steps:

1. Prior to accepting a gift-in-kind, the appropriate administrator will deem the gift suitable for acceptance based on criteria included in CLC Policy Acceptance of Gifts-in-Kind.
2. The administrator will complete and sign the attached CLC acceptance form and forward copies to both the Purchasing Manager and the Foundation Director. When a gift-in-kind is valued at \$50,000 or more by the donor and given directly to the college, the attached MnSCU Gift and Grant Acceptance Reporting Form must also be completed. This MnSCU form is not required when gifts-in-kind are given to the CLC Foundation.
3. If the gift is not deemed suitable for acceptance, the appropriate administrator will contact the prospective donor to communicate the college's decision regarding acceptance of the gift.
4. A letter acknowledging receipt of the gift will be sent to the donor by the College President and the Foundation Director, respectively. Copies of letters shall be forwarded to the Purchasing Manager.
5. For income tax purposes, it is the responsibility of the donor to determine the fair market value of the gift. College personnel must not take on this role. To determine eligibility to claim the charitable deduction, donors will be advised, by the appropriate administrator, to complete IRS Form 8283 if their total tax deductible gifts exceed \$500 in a given year. The donor will also be advised that a "qualified appraisal" is required for a single non-cash gift over \$5,000 in order to complete IRS Form 8283. The appropriate administrator will sign this IRS form acknowledging receipt (not value) of the gift.
6. If the donated item is a motor vehicle, boat or airplane, additional reporting requirements apply. The use of the item, whether the College will retain or sell the item, must be declared at the time the gift is accepted. Please contact the Business Office before accepting a gift of a motor vehicle, boat or airplane.
7. If the gift-in-kind is valued at less than \$25, no letter of acknowledgement will be sent by the College.
8. If the gift is valued at more than \$50,000 or is real property, the Vice President of Administrative Services will report the gift to the MnSCU Chancellor's Office for approval by the MnSCU Board of Trustees.
9. In the event that the college sells the gift within two years of receipt, it must file an information return (IRS Form 8282) with the Internal Revenue Service naming the original donor and the sale price.
10. The College Purchasing Manager will inventory and report the gift in accordance with MnSCU Board Policy 7.7.
11. The Business Office will maintain a list of gifts-in-kind and report annually to the college president and the MnSCU Board of Trustees.

Date of policy creation: 06-02-05

Author: Joe Birmingham/Kari Christiansen:dwesp

Date of Implementation:

Signature of College President:  Date: July 1, 2005