7.7.2 Acceptance of Gifts In-Kind Policy & Procedure

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 the College may accept gifts-in-kind and assigns authority to accept them.

Conditions for Acceptance
Authority to accept gifts-in-kind is provided under Minnesota Statute 136F .80 and outlined in Minnesota State 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. The MinnState Board of Trustees must formally accept all gifts of real property and gifts-in-kind valued at over $50,000.

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 before the transfer of the gift title

Responsibility
An administrator will deem the gift appropriate for acceptance by signing documentation as described in the corresponding CLC Procedure and notifying the donor of applicable IRS policy. All paperwork related to a gift-in-kind will be forwarded to the Business Office, the Associate Vice President of Advancement, and the 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 Associate Vice President of Advancement 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.

Procedure for Accepting Gifts In-Kind

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

1. Before accepting a gift-in-kind, the appropriate administrator will determine suitability in accordance with the criteria outlined 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 Associate Vice President of Advancement. When a gift-in-kind is valued at $50,000 or more by the donor and given directly to the College, the attached MinnState Gift and Grant Acceptance Reporting Form must also be completed. This MinnState 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 inform them of the College's decision.
4. A letter acknowledging receipt of the gift will be sent to the donor by the College President and the Associate Vice President of Advancement, respectively. Copies of letters shall be forwarded to the Purchasing Manager.
5. For income tax purposes, the donor is responsible for determining the gift's fair market value. 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 of $5,000 or more 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, the College will not send a letter of acknowledgment.
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 MinnState Chancellor's Office for approval by the MinnState Board of Trustees.
9. If 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 Minnesota State 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 Minnesota State Board of Trustees.

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