



Gift in Kind Policy	
Responsible Official: Vice President for University Advancement	Responsible Office: University Advancement

### Policy Purpose

This policy provides guidance and information for accepting gifts-in-kind (GIK) and personal property. This applies to all ETSU faculty and staff who work with external parties regarding transfer of these types of gifts.

### Policy Statement

University Advancement will document in-kind gifts to:

1. Account for transfers to the University which may require University resources
2. Provide information to be used by the donor in income tax records
3. Document the full relationship between the donor and the University and provide appropriate stewardship

### Definitions

**Gift-in-Kind.** Tangible personal property, such as machinery, books, computers, etc.

**Gifts of service, volunteer time, or partial interest gifts.** These do not qualify as gift-in-kind donations in the eyes of the IRS. However, in some cases ETSU will apply “soft” credit to donors of services (see paragraph IX).

**Software.** Donations of software are usually partial interest gifts and are therefore not countable/recordable as gifts. Additionally, these opportunities must be reviewed and accepted by the VP for Information Technology Services and the VP for Finance.

### History

Effective Date: 2/7/2017

Revision Date: 6/4/2018

Revision Notes: This version follows the updated ETSU format and includes an updated Request to Receive an In-Kind Gift.

## Procedure (s)

### **Attachments:**

I. In-Kind Gift Request and Approval

II. Sample Offer of In-Kind Gift

- I. Contact Advancement Services if gifts of this nature are contemplated or if faculty/staff have knowledge of prospective donors who might consider such gifts.
- II. Before accepting, gifts-in-kind must be reviewed by University Advancement in concert with the unit designated to receive the gift. A Gift-in-Kind Form (Attachment A) must be completed before the GIK may be accepted. Any gift recommended for acceptance should enhance the purposes of the University.
- III. If an in-kind gift involves a financial commitment on the part of the University, the Vice President for Advancement must be consulted and the President must approve. Art objects, equipment, books, etc. will be reviewed carefully to ensure that acceptance will not involve financial commitments disproportionate to the usefulness of the gift. Consideration will be given to the cost of maintenance, cataloging, delivery, insurance, display, and storage requirements.
- IV. Involve Foundation Accounting in discussions about accepting/retaining in-kind gifts. Foundation Accounting will make a determination regarding whether the gift needs to be added to equipment records (FP-11, Property Equipment Control)
- V. Questions to ask before accepting a GIK:
  - a. Is it relevant to the work of the university? As a general rule, accept only gifts that further the work of departments and programs at the university.
  - b. Will accepting the gift jeopardize the reputation of the donor or the university? Does the donor's intent match the interests of the university?
  - c. Will the gift cost the university money in the future, such as maintenance, repair, or preservation costs?
  - d. Are there any risks associated with accepting the gift?
  - e. Will the gift require a special facility in which to house it?
  - f. Are there any special conditions the donor may impose?
  - g. If the property cannot be used in university programs, will the donor allow it to be sold? If the donor places a condition on the gift that it is not to be sold, additional approvals may be necessary.
- VI. For gifts of real estate, refer to the policy regarding Acceptance of Gifts of Real Estate.
- VII. If you have questions about gifts that seem to be of lesser value (disposable items or operational supplies like paper products, art supplies, bottled water, etc. (typically valued under \$250) contact Advancement Services before preparing the GIK form.
- VIII. Gifts of personal property or gifts-in-kind valued at more than \$5,000, for which the donor desires to receive a tax deduction, must be documented by the donor on IRS Form 8283, Noncash Charitable Contributions Form at the time of filing. The costs associated with the supporting independent appraisal for such proposed gifts of property shall be borne by the donor and cannot be borne by ETSU or the ETSU Foundation as such an arrangement could be considered as "imputed" income to the donor and could also question the validity and

independence for such an appraisal. Donors for proposed gifts of property should be encouraged to work with an attorney or CPA in a timely manner, so the donor fulfills all IRS/legal requirements for the appraisal, or other technical aspects of the proposed gift to fully preserve the donor’s potential availability of federal or other income tax deductions.

- IX.** Although the provision of services will not receive gift credit or a gift receipt from the ETSU Foundation, the Foundation may extend “soft” credit to the provider of such in-kind services (for example, physical exams for athletes) so donor recognition can be afforded to the provider.

Related Form(s)

N/A

Scope and Applicability

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
X	Business and Finance	
	Operations and Facilities	
	Communications & Marketing	
X	Advancement	

# Attachment I – Request to Receive an In-Kind Gift



EAST TENNESSEE STATE  
UNIVERSITY

## Request to Receive an In-Kind Gift

Complete request and obtain approvals before accepting.

Item \_\_\_\_\_ Date \_\_\_\_\_

Department Receiving the Gift \_\_\_\_\_ College \_\_\_\_\_

Donor Contact \_\_\_\_\_ Company \_\_\_\_\_

Address \_\_\_\_\_ City, State, and Zip \_\_\_\_\_

Phone Number/E-mail \_\_\_\_\_ E-number \_\_\_\_\_

Estimated Value (amount above and check a block below) \_\_\_\_\_ Fund Number \_\_\_\_\_  
 Written appraisal by qualified evaluators (not University staff/faculty)      Judgment of donor with concurrence of department receiving the gift (if less than \$5,000) Departmental Signature Required \_\_\_\_\_

**Description/Purpose of Gift, including how it will benefit ETSU and any costs/obligations incurred by accepting the gift:**

**Notes:**

- In-kind gifts should be offered by the donor in writing. See GIK Policy, Attachment B for a sample. Attach that document to this form.
- DO NOT accept the gift until this form has been approved

**Approval Routing (signatures indicate approval is recommended, unless otherwise noted)**

Requester (Faculty Member/Department Head) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

Unit Development Officer (if applicable) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

Chair/Director (if applicable) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

Dean/Vice President (if applicable) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

Chief Financial Officer (review) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

Vice President for Advancement Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

## Attachment II – Sample Offer of In-Kind Gift

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DATE: [Date]

FROM: [Donor]

TO: [Department]

SUBJECT: In-Kind Gift to East Tennessee State University

I/we/our company would like to make an in-kind gift to [department] of the following item(s):

[Describe completely, including costs/obligations related to accepting the gift]

I/we estimate the value of this in-kind gift to be \$[estimated value], based on [source].

If you have questions or need more information, please contact [contact name] at [e-mail, phone, and address]

*Signed*

Donor Name