

## *Pitt Community College Foundation*

### **Foundation – Gifts-in-kind Policy**

#### **1.0 Purpose**

The purpose of this policy is to ensure that only items that are useful to Pitt Community College (PCC) are accepted by the Foundation and/or the College and that the items are used as the donor intended. This policy will specify how to accept and decline a gift-in-kind. It will provide guidance on how the gifts-in-kind are to be reported and tracked, as well as discarded or sold at the end of their useful life to the PCC Foundation and/or to the College.

Usual gifts of cash, bonds, stock, etc. are received by the PCC Foundation and appropriate documentation and acknowledgements are made by the Foundation.

All cash and gift-in-kind donations to PCC or PCC Foundation Inc. should be directed to the Vice President of Institutional Advancement.

#### **2.0 Revision History**

This policy will be reviewed for revisions annually by the Vice President of Institutional Advancement. A letter documenting the annual review of the policies will be sent to the President of the College and the Chairman of the PCC Foundation Board.

#### **3.0 Applicability**

This policy applies to the PCC Foundation.

#### **4.0 Policy**

A gift-in-kind donation that the donor values under \$500 may be accepted by a unit of the college and forwarded to the PCC Foundation with no prior evaluation or approval by the Vice President of Institutional Advancement. A gift-in-kind donation that the donor values over \$500 must be accepted with approval by the Vice President of Institutional Advancement and the President of the College.

#### *Reporting and Tracking Gifts-in-kind*

The ownership of all gift-in-kind donations may be transferred from the PCC Foundation to the College upon receipt. The gifts-in-kind will be reported

and tracked appropriately through the Foundation's or College's financial statements and asset reporting systems.

#### *Discarding, Donating and Selling Gifts-in-kind*

If a gift-in-kind no longer meets a specific or requested need and does not support the PCC mission and strategic plan, then the College must follow its policies for discarding property.

The PCC Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the PCC Foundation where the charitable deduction value of the item was \$5,000 or greater. The PCC Foundation must file this form within 125 days of the date of sale or disposition of the asset. *(amended by PCC Foundation Board 5/28/2015)*

#### *Transfer of Gifts and Equipment from Foundation to College*

Gifts-in-kind made to the Foundation and equipment purchased with Foundation funds or grant funds administered by the Foundation may be transferred to the College upon receipt and placed on the College inventory. Specifically, only the gifts and equipment that are used by the College and not used by the Foundation will be transferred to the College. When items owned and/or funded by the Foundation are sold and are not specifically designated by a donor, the proceeds from the sales will be deposited into the Foundation's unrestricted fund.

#### *Charitable Value of Gifts-in-Kind*

The Foundation cannot establish monetary value for gifts-in-kind according to the IRS. The donor, if a value is needed for income tax purposes, must provide in writing the commercial value of the object(s) given.

The donor of an in-kind gift is responsible for establishing the value of the gift. Although a letter from the donor indicating the value of the gift is sufficient documentation for gifts valued under \$5,000, donors should be encouraged to submit additional documentation for all in-kind gifts. For gifts valued at \$5,000 or more, the donor must provide a qualified appraisal of the gift and submit Internal Revenue Service (IRS) form 8283 to the Institutional Advancement Office for completion and subsequent return to the donor. *(amended by PCC Foundation Board 5/28/2015)*

It shall be the responsibility of the donor to secure an appraisal when required, and independent legal counsel if necessary, for gifts made to the PCC Foundation. *(amended by PCC Foundation Board 5/28/2015)*

**Vehicle Contributions** - The PCC Foundation will comply with IRS Publication 4303 concerning gifts of vehicles. If a donor contributes a vehicle and claims the value of the vehicle is more than \$500, the PCC Foundation is required to provide a written acknowledgment to the donor, such as Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes. The acknowledgement must include the donor's name and taxpayer identification number, the vehicle identification number, the date of the contribution, a statement that no goods or services were provided by the charity in return for the donation, and a statement about what the PCC Foundation and/or the College intends to do with the vehicle. *(amended by PCC Foundation Board 5/28/2015)*

**Time and Manner of Providing Acknowledgment to the IRS** – The PCC Foundation must report the information contained in the written acknowledgment to the IRS on Form 1098-C. Form 1098-C is due by February 28 (March 31 if filing electronically) of the year following the year in which the foundation provides the acknowledgment to the donor. *(amended by PCC Foundation Board 5/28/2015)*

### **Unacceptable Gifts**

The Pitt Community College Foundation reserves the right to refuse any gift that is not consistent with the mission and goals of the foundation or Pitt Community College. *(amended by PCC Foundation Board 5/28/2015)*

## **5.0 Definitions**

- Gifts-in-kind are defined as donated tangible assets and property such as equipment, art, books, equipment, services, automobiles and other physical assets or materials which represent value.
- Out-of-pocket expenses are defined as payments made by a donor to a vendor for materials or services. This includes expenses that are not reimbursed and that are paid by a person while volunteering. For example, the expenses incurred by a donor sponsoring a dinner party to promote PCC comprise such a gift. These gifts must be documented with written and official receipts.
- Services include professional or personal services or time which are freely given and which easily can be valued by their usual market cost. Gifts of services may be recognized by the organization, but may not be recognized by the IRS as being tax deductible. Examples of gifts of services are the donation of broadcast time by a radio station or legal services by an attorney.
- Limited use of private property is the right to rent-free use of a home, office, piece of equipment or commercial property owned by a donor for a specific event for a specified period of time. Such gifts are recognized as donations by the Foundation, but may not be recognized by the IRS as being tax deductible. Examples include the rent-free use

of office space, or the rent-free use of a vacation home to host an event.

- o Donative sales of gifts-in-kind are defined as when someone offers a donative sale of art objects, books, equipment, etc., for use, the offer must be referred to the Office of Institutional Advancement to consult with legal counsel on the transaction.

## **6.0 Responsibilities**

All employees and volunteers are expected to fully comply with the Gifts-in-kind policies. PCC employees will be informed of the gift policies by notification of posting on the Foundation's website and a summary inclusion in the PCC Employee Manual.

## **7.0 Procedures**

*The following steps should be followed for donations under \$500*

1. The person (thereafter called donor liaison – could be a member of the faculty or staff) who is approached should determine if it meets a specific or requested need and clearly supports the PCC mission and strategic plan. The following should be considered:
  - a) The cost of maintenance, cataloging, delivery, insurance, electrical and technological support, display and any space requirements for exhibiting or storage.
  - b) Gifts-in-kind must be reviewed with special care to ensure that acceptance will not involve financial commitments in excess of budgeted items or other obligations disproportionate to the usefulness of the gift.
  - c) All gifts of real estate or unusual items of questionable value must be presented to, and approved by the Foundation Board and/or the Board of Trustees prior to acceptance. Such gifts should be reviewed carefully to determine the use and liabilities as well as the ability to sell the property. Environmental and legal issues may need to be reviewed by appropriate professionals prior to the boards' decision to accept the gift. The gift may be referred to the PCC Real Estate Foundation if applicable. (The committee suggested that the PCC Foundation consider forming a Real Estate Foundation to accept and manage or sale gifts of real estate.)
  - d) The donor liaison should contact other College units that will need to be involved to make them aware of and to consult with them about the gift-in-kind (for example, the Vice President of Administrative Services and/or Facility Services Director would need to be contacted if maintenance or storage are issues).

- e) The advantages of accepting the gift should significantly outweigh the disadvantages.
- f) A gift-in-kind that will not benefit or cannot be used by the PCC Foundation or College should be declined.
- g) Arrangements will be made during preliminary discussions or correspondence about delivery of gifts-in-kind directly to the Foundation. Arrangements also include agreement with the donor regarding costs of packing, freight charges, etc., which are usually the responsibility of the donor.

2. To decline the gift:

- a) The Vice President of Institutional Advancement will inform the donor, provide an appropriate explanation and thank him or her for thinking of the College.
- b) Depending upon the sensitivity of the situation, this contact may need to be handled by the donor liaison's supervisor, Vice President of Institutional Advancement and/or President when appropriate.

3. To accept the gift:

- a) The donor liaison will inform the donor and provide the donor with a printed or electronic copy of the Non-Monetary Gift Donation Form (which will be available on the PCC Foundation website). The donor should complete and return the form to the Vice President of Institutional Advancement.
  - (1) The donor must complete and return a Non-Monetary Gift Donation Form to the Foundation to receive written acknowledgement of the gift.
  - (2) If the form is not received, then no acknowledgement will be provided by the Foundation.
- b) The donor liaison will arrange for the gift to be transported to the College, if necessary.
- c) The donor liaison will notify the Vice President of Institutional Advancement once the gift is received.
- d) After the completed Non-Monetary Gift Donation Form is received and notice that the item(s) have been received, the Foundation will record the gift in its donor database and acknowledge the gift with a thank you letter to the donor. A copy of the acknowledgement will be sent to the President.
  - (1) The date of the gift-in-kind is the date the item is received by the College. The gift-in-kind acknowledgement reflects the valuation provided by the donor.

The following steps should be followed for donations over \$500

1. The person (thereafter called donor liaison) who is approached should inform the Vice President of Institutional Advancement and copy his or her vice president or dean via e-mail with the following
  - a) donor's name
  - b) gift to be donated and its purpose
  - c) gift's usefulness if accepted by the PCC Foundation or College
  - d) how it will be transported to the College
  - e) recommendation if the gift should be accepted or declined
  
2. The Vice President of Institutional Advancement and the President will determine if it meets a specific or requested need and clearly supports the PCC mission and/or strategic plan. The following should be considered:
  - a) The cost of maintenance, cataloging, delivery, insurance, display and any space requirements for exhibiting or storage.
  - b) Gifts-in-kind must be reviewed with special care to ensure that acceptance will not involve financial commitments in excess of budgeted items or other obligations disproportionate to the usefulness of the gift.
  - c) All gifts of real estate or unusual items of questionable value must be presented to, and approved by the Foundation Board and/or the Board of Trustees prior to acceptance. Such gifts should be reviewed carefully to determine the use and liabilities as well as the ability to sell the property. Environmental and legal issues may need to be reviewed by appropriate professionals prior to the board(s) decision to accept the gift. The gift may be referred to the PCC Real Estate Foundation if applicable. (The committee suggested that the PCC Foundation consider forming a Real Estate Foundation to accept and manage or sale gifts of real estate.)
  - d) The donor liaison should contact other College units that will need to be involved to make them aware of the gift-in-kind (for example, the Vice President of Administrative Services or Facilities Services Director would need to be contacted if maintenance or storage is an issue).
  - e) The advantages of accepting the gift should significantly outweigh the disadvantages.
  - f) A gift-in-kind that will not benefit or can not be used by the Foundation or College should be declined.
  - g) Arrangements will be made during preliminary discussions or correspondence about delivery of gifts-in-kind directly to the Foundation. Arrangements also include agreement with the donor

regarding costs of packing, freight charges, etc., which are usually the responsibility of the donor.

3. The Vice President of Institutional Advancement will review the information and inform the donor liaison via e-mail if the gift-in-kind is accepted or declined.
4. To decline the gift:
  - a) The Vice President of Institutional Advancement will inform the donor, provide an appropriate explanation and thank him or her for thinking of the College.
  - b) Depending upon the sensitivity of the situation, this contact may need to be handled by the donor liaison's supervisor, Vice President of Institutional Advancement, or President when appropriate.
5. To accept the gift:
  - a) The donor liaison will inform the donor and provide the donor with a printed or electronic copy of the Non-Monetary Gift Donation Form (which will be available on the PCC website). The donor should complete and return the form to the Vice President of Institutional Advancement.
    - (1) The donor must complete and return a Non-Monetary Gift Donation Form to the Foundation to receive written acknowledgement of the gift.
    - (2) If the form is not received, then no acknowledgement will be provided by the Foundation.
  - b) The donor liaison will arrange for the gift to be transported to the College, if necessary.
  - c) The donor liaison will notify the Vice President of Institutional Advancement once the gift is received.
  - d) After the completed Non-Monetary Gift Donation Form is received and notice that the item(s) have been received, the Foundation will record the gift in its donor database and acknowledge the gift with a thank you letter to the donor. A copy of the acknowledgement will be sent to the President.
    - (1) The date of the gift-in-kind is the date the item is received by the College. The gift-in-kind acknowledgement reflects the valuation provided by the donor.

## **8.0 Sanctions**

PCC employees and Foundation employees who fail to comply with the terms of this policy may be subject to disciplinary action.

*Approved by PCC Foundation Board with revisions 12-9-2010  
Approved by PCC Board of Trustees with revisions 12-14-2010  
Amended by PCC Foundation Board 5-28-2015*