

AP 133 - Gifts-In-Kind Acceptance

Associated Board Policy: 133.00

Procedure Owner: Vice President of Finance and Administration

Related Procedures: None

I. Procedure Scope and Purpose

The purpose of this procedure is to clearly delineate the kinds of gifts-in-kind that Cowley College will accept, under what circumstances, and to guide the development of related organizational procedures for how they shall be assigned, acknowledged, valued and reported.

II. Definitions

- a. Gift-in-Kind – The term “gift-in-kind” is defined as donated tangible assets and property such as equipment, art, books, equipment, services, automobiles, and other physical assets or materials which represent value. Services include professional or personal services or time which are freely given and which can easily be valued by their market costs. Gifts of service may be recognized by the organization but may not be recognized by the IRS as being tax deductible.

III. Procedure

- a. **Titling, Reporting and Tracking Gifts-In-Kind** - All Gifts-In-Kind shall be received through the Cowley College Foundation which will act in a fiduciary capacity in administering gifts in strict compliance with the instructions of the donor. Any donation of a gift-in-kind that meets the requirement for acceptance, will be accepted, reported and tracked appropriately through the Foundation’s financial statements. Gift-in-kind donations will transfer from the Foundation to the College immediately after the initial donor transfer is completed, at which time the gift will be tracked and reported through the College financial statements and asset reporting systems. Any gifts-in-kind which require a transfer of title, will not be titled to the Cowley College Foundation, but will be titled to the College upon being received and recorded through the Foundation’s financial statements.
- b. **Appraisal and Valuation** - The appraisal and valuation of a gift-in-kind is the responsibility of the College. The donor may give an estimate of the fair market value, however, according to IRS regulations, the valuation will be done by an authorized appraiser. If the value of the gift is \$5,000 or more, the valuation will be in writing. A gift-in-kind donation that the donor values under \$500 may be forwarded to the Cowley College Foundation with no prior appraisal.
- c. **Gift Acknowledgement** - After the gift-in-kind is received by the Cowley College Foundation, a letter of acceptance will be sent to the donor. This letter will include a full

description of the gift-in-kind and the amount of the fair market value provided by the donor or authorized appraiser.

- d. 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 Cowley College mission and purpose, then the College will follow its policies for discarding property.
- e. If the sale or disposition of any asset where the charitable deduction value was \$5,000 or greater is within two years of receipt by the Cowley College Foundation, the College will notify the Foundation, which would be responsible for filing IRS Form 8282.

IV. Effective Date

This procedure become effective: July 18, 2023 .

V. Signature and Title

Hally Harper

This procedure is implemented by: _____