Published on *University of Colorado* (https://www.cu.edu)

Gift Revenues & Recognition [1]

In Brief

- At CU, recognizing revenue as a gift occurs when a donor gives an item of value to the University, and the donor neither expects nor receives anything of economic value in return, except as included with fundraising events or life income arrangements.
- Top areas of concern are: understanding the characteristics of gifts/charitable contributions, and following the appropriate fund accounting policies.

Quick Look

Procedural Statement - *effective date: 07/01/17*

Introduction

These procedures set forth University requirements for recognizing gifts/charitable contributions in the form of cash, including checks, credit cards, or other forms of currency. They cover gift characteristics and gift determination (defining qualities of gifts/charitable contributions) and gift recognition basis (fund accounting policies).

For specific gift handling (including deposit of gift monies), see the Accounting Handbook procedures on Gift/Charitable Contribution Processing.

Indirect Benefits

Indirect benefits such as tax advantages, business, or personal goodwill derived from close association with the University do not negate gift intent.

Payment to support a CU institute, center, or program may be processed as a gift even if it includes one or more of the following benefits:

- The opportunity to attend meetings to provide advice to the institute, center, or program.
- The opportunity to interact with students.
- The opportunity to receive periodic materials that update the donor about the activities of the respective center, institute, or program.
- The opportunity to attend presentations or award luncheons/dinners.

For questions about the tax deductibility of gifts with indirect benefits, contact the Director of Tax in the Office of University Controller.

Non-Gift Revenue Payments

An organizational unit may attach a gift component to a non-gift revenue payment. For example, a $150 ticket to attend a fundraising event may include a gift component. In these instances, the ticket price must be split between the non-deductible amount (fair market value of the event, e.g., $80 for a seated dinner with entertainment) and the deductible amount (amount above the FMV, in this case, $70).

For questions about the tax deductibility of gifts with non-gift portions, contact the Fundraising Events & Gift Compliance Specialist in the Office of University Controller.

Recognition Basis

When the cash is received, all gift revenues must be classified as Non Operating Revenues, unless the gifts are restricted for capital assets (land, buildings, building improvements, equipment, and library and other collections), which must be classified as capital revenues. For advice on how to classify gift revenues as capital revenues, contact the appropriate campus controller.

Accruals, receivables, or unearned revenues are not common for gifts and should be approved by the appropriate campus controller.

Revision Log

Questions?

Questions about these procedures should be directed to the appropriate campus controller [2], who will consult with the Associate Vice President & University Controller, as appropriate.

Exceptions

For non-cash gifts (gifts of goods or services), see the Accounting Handbook procedures on Gifts-in-Kind.

Unless approved by the Associate Vice President & University Controller, there are no other exceptions to this procedural statement. Requests for exceptions must be submitted through

the appropriate campus controller's office [2].

Questions & Feedback

For questions or feedback contact

Groups audience:
Controller
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AH Gift Revenues Resources
OUC-Where Policies

Source URL:https://www.cu.edu/controller/procedures/accounting-handbook/gift-revenues-recognition

Links
[1] https://www.cu.edu/controller/procedures/accounting-handbook/gift-revenues-recognition
[2] https://www.cu.edu/controller/campus-controllers-finance-offices
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