

Gifts-in-Kind ^[1]

In Brief

- Gifts-in-kind are donor contributions to CU in the form of goods, property, or services, as opposed to gifts of cash.
- How CU processes a gift-in-kind depends on several factors, including the type of gift, the value of the gift, and how the gift will be used.
- If you need assistance with a GIK, contact the Central Advancement Office at 1800 Grant St., Denver, at GIK@cu.edu ^[2] for support through this process.

Quick Look

Procedural Statement - *effective date: 10/01/2022*

See Revision Log for what changed on this date.

Introduction

Gifts-in-kind (GIK) are non-monetary gifts – i.e., gifts of goods, property, or services, as opposed to gifts of cash – that support the mission of the University.

The following steps outline the procedures for reviewing a GIK, determining whether to accept or decline a GIK, and documenting and acknowledging a GIK. These procedures vary depending on several factors, including:

- The type of gift-in-kind;
- The value of the gift-in-kind; and,
- How the gift-in-kind will be used.

CU does not provide individuals with legal, tax, or financial advice. CU recommends that donors seek the advice of their own legal, tax, or financial professionals in connection with gift matters.

Types of Gifts

GIK may include the following types of items:

- **Tangible Personal Property.** Tangible personal property is property (other than real property) whose value is derived from its physical existence. Tangible personal property includes (but is not limited to) artwork, antiques, automobiles, boats, books, technology hardware, home furnishings, appliances, office and other equipment, and personal items. Also included are consumables – goods, such as food and beverages – that are designated solely for the purpose of consumption, as long as these consumables directly support the mission of the University.
- **Intangible Personal Property.** Intangible personal property is property whose value stems from intangible elements rather than physical or tangible elements. Intangible personal property includes (but is not limited to) patents, copyrights, licenses, and computer software. Note that gifts of items such as software may be limited to use, and may not include the intellectual property itself (patent).
- **Real Property (real estate).** Real property includes (but is not limited to) land, whatever is affixed to land, and the rights that issue from the land (including gifts of real estate subject to a retained life estate; oil, gas, and mineral interests; and, water rights). Gifts of real property that the University plans to retain can only be accepted by the benefiting campus Chancellor, who will review, determine to accept, and maintain the property.
- **Services.** Services include (but are not limited to) professional services from painters, accountants, attorneys, engineers, translators, editors, and the like. Not all services provided to CU are considered charitable gifts.

GIK Review and Acceptance

GIK must be reviewed and approved by the Central Advancement Office at 1800 Grant St., Denver, before acceptance. GIK intended to be retained by the University will only be considered for acceptance if they can be used by the University in a manner related to its mission.

To request acceptance, complete and submit the Gift-in-Kind Acceptance ^[3] form. The form requires certain information, including the following:

- Description of item intended to be gifted
- How the GIK will be used
- How the GIK supports CU's mission
- The approximate value of the GIK
- If the donor is seeking a charitable deduction
- Any use restrictions or related documents that will accompany the GIK (these must be included with the form)

If the GIK is being declined, please notify the Central Advancement Office at 1800 Grant St., Denver, at GIK@cu.edu ^[2].

Additional review and approvals are required for GIK that are valued at \$5,000 or more, or for GIK with Special Circumstances, as described below.

The Central Advancement Office at 1800 Grant St., Denver, sends a copy of the final (completed and signed) GIK form to the benefiting department and the appropriate campus controller's office.

Special Circumstances

The following Special Circumstances may require additional steps before or after acceptance. Organizational units should not accept GIK with Special Circumstances unless approved to do so by the CU System Advancement Office in Broomfield. Before completing the GIK Acceptance Form, contact the Central Advancement Office at 1800 Grant St., Denver, at GIK@cu.edu ^[2] for instructions and guidance.

- **GIK valued at \$5,000 or more.** For donors who wish to claim a charitable tax deduction for a GIK valued at \$5,000 or more, the Internal Revenue Service (IRS) requires submission of a qualified, third-party appraisal. Donors are responsible for securing and paying for any appraisals used for their income tax purposes. Whenever possible, copies of appraisals should be submitted to the Central Advancement Office at 1800 Grant St., Denver.
- **GIK accompanied by a written contract or agreement.** Organizational units should not sign contracts or agreements. All legal documentation accompanying a GIK must be submitted to the Central Advancement Office at 1800 Grant St., Denver, along with the GIK form. GIK with permanent use restrictions or where the donor instills a condition or expectation for use may not be approved.
- **GIK with external reporting requirements,** for example, reporting requirements related to sponsorships, grants, or the National Collegiate Athletic Association (NCAA).
- **GIK that are part of a new or existing collection.** If such GIK are made to a formally designated Collections Unit, that unit should follow its documented procedures for review and acceptance.
- **GIK that are hazardous.** The organizational unit must have a plan for the safe management of hazardous materials.
- **GIK that require additional University expense,** for example, the cost of transporting, storing, or maintaining the item. The organizational unit must have a plan for supporting any immediate and/or future costs of acquisition and maintenance. The University or campus may require a set-aside fund to address future storage or maintenance costs as a condition of acceptance.
- **GIK for the University to borrow or to use temporarily.** These are not fully-completed transfers of ownership to the University. Examples include gifts to use a donor's transportation (such as an airplane or van), to use an apartment or space that the donor owns, or arrangements to receive a loan of artwork or equipment for a set period of time. Also included are split-interest gifts, where the donor requests the right to use or access the item during their lifetime.
- **GIK involving the payment of expenses for an event.** These GIK should be substantiated by event receipts in order to identify the donor.

GIK procedures are unique to the specific situation and may include requirements such as the following:

- **Qualified Appraisal.** (See above.)
- **Deed of Gift.** In certain circumstances, a Deed of Gift (outlining any agreed-upon terms of acceptance or use of the GIK) may need to be completed and signed by the donor and the benefiting unit. The Deed of Gift may need to be reviewed by various campus entities before signatures are secured. Specifically, Deeds of Gift for tangible personal property valued at \$5,000 or more require review by an employee in the benefiting unit (typically, the fiscal principal) who takes responsibility for the ongoing custody and safeguarding of the item. For pre-approved Deed of Gift templates and procedures, contact the Central Advancement Office at 1800 Grant St., Denver.
- **IRS Form 8283.** Donors may ask the University to sign an IRS Form 8283 to substantiate their charitable gift with the IRS. Such requests should be submitted to the Central Advancement Office at 1800 Grant St., Denver. The Associate Vice President & University Controller is the only qualified signatory for Form 8283; this individual will sign only when the gift has been confirmed by the Central Advancement Office at 1800 Grant

St., Denver, and by the benefiting campus controller, and after the donor and appraiser have first completed their sections of the form.

GIK Recording and Receipting

The Office of Advancement records GIK in their donor database.

The Office of Advancement receipts GIK in accordance with IRS requirements. The GIK receipt describes the item given; the date the item was received by the University; and, the benefiting campus, program, and/or fund where the gift was recorded. The receipt does not value the GIK since determining the charitable deduction valuation is the responsibility of the donor. The Central Advancement Office at 1800 Grant St., Denver, mails the receipt directly to the donor; the benefiting unit may choose to send additional acknowledgment to the donor.

Note: Recording GIK in the University's Financial System may differ from the recording procedures utilized by the Office of Advancement.

GIK Valuation

The University does not provide the donor with a valuation of the GIK nor does the University assist the donor in determining the value of the donated GIK. In these procedures, the term valuation refers to the gift recognition amount placed on a GIK for the University's internal gift-crediting purposes. The University's gift recognition amount may differ from the dollar amount used by the donor for charitable deduction or the dollar amount used for accounting or insurance purposes. The Office of Advancement reserves the right to evaluate any reported valuation for reasonableness before recording.

For purposes of determining the gift recognition amount to be recorded on a donor's giving recorded with the University:

- For GIK worth less than \$5,000, the GIK may be unofficially valued by University personnel with expertise related to the gift or through a verified market comparable.
- For GIK valued at \$5,000 or more, as noted above, the donor must submit a qualified, third-party appraisal to the IRS in order to substantiate a tax deduction. The University's preferred method of internal valuation for gifts of \$5,000 or more is a copy of this qualified appraisal. It is the donor's responsibility to pay for the appraisal. In some cases, donors are not seeking a tax deduction and, therefore, do not secure an appraisal. In these cases, an unofficial valuation by qualified University personnel or verified market comparable will be considered for purposes of determining gift recognition amount. If the GIK is valued at over \$100,000, the University may require an appraisal. If multiple similar items are donated within a single tax year, the University prefers to record the value of this GIK as a set.

In some cases – e.g., for GIK that are additions to collections – there is no appropriate way to place a value on a GIK. Gifts that cannot be valued are recorded in the Office of Advancement

donor database at zero dollars (\$0), either permanently or until such time that the value can be identified. The following types of personal property are valued at zero dollars (\$0):

- Software licenses or other intellectual property (versus the gifting of the copyright or patent itself);
- Gift cards donated by the company or organization where the gift cards are valid; and,
- Services provided to the University at no cost or at reduced cost.

For gifts of property from a manufacturer: these GIK are valued at the cost to the University if the University had instead purchased the equipment on the open market, with the gift value reduced by any educational discounts that would have been applied.

Note: For financial reporting purposes, accounting for GIK may differ from the valuation procedures utilized by the Office of Advancement.

GIK Disposition

The University may sell a GIK and direct the proceeds to a gift purpose at the University or the CU Foundation. If the GIK is given with the intent of being sold within three years of receipt, the donor should be advised to discuss the tax implications of this action with their tax advisor prior to making the gift.

An organizational unit wishing to dispose of a GIK should contact the Central Advancement Office at 1800 Grant St., Denver, to discuss requirements for disposition. These may include a minimum sales price, approval or rejection of any special arrangements with the donor, and/or notification to the donor. Selling an asset for less than its appraised value or estimated fair market value may require additional approvals in advance.

If the GIK was valued at \$500 or more and sold by the University within three years of the date of the gift, and if the University previously completed a Form 8283, the Associate Vice President & University Controller submits IRS Form 8282.

Revision Log

Updates 10/1/2022: Updated office names and locations.

Updates 8/1/2019: Review/approval process transitioned from the benefiting unit and the campus controller to the CU System Advancement Office; signing certain IRS forms transitioned from Treasury to the Office of University Controller; and, detailed information was added regarding types of gifts and special circumstances. Coordinating changes were made to the Gift-in-Kind Acceptance form.

Supersedes Accounting Handbook Gifts-in-Kind procedures dated 7/11/2011.

Questions?

Questions about these procedures should be directed to the Central Advancement Office at 1800 Grant St., Denver: contact GIK@cu.edu ^[2] or 303.541.1229.

Exceptions

These procedures do not apply to the following items:

- **Marketable securities.** Gifts of marketable securities (stocks and bonds that are publicly traded) are considered gifts of cash rather than gifts-in-kind. See the Accounting Handbook procedures on [Gift/Charitable Contribution Processing](#) ^[4].
- **GIK that will be sold.** If there is an expectation that the GIK will be sold (e.g., through an auction) immediately or shortly after acceptance by the University, the organizational unit should contact department/campus Advancement staff or the Central Advancement Office at 1800 Grant St., Denver (GIK@cu.edu ^[2] or 303.541.1229). Such gifts may be more appropriate to accept and sell through the CU Foundation.
- **GIK to formally designated Collections Units.** If the GIK is offered to a formally designated Collections Unit, that unit should follow its documented procedures. Collections Units include (but are not limited to) museums of art or natural history, libraries, and the CU Boulder Heritage Center.

Unless approved by the Associate Vice President for the Office of Advancement, there are no other exceptions to this procedural statement. Requests for exceptions must be submitted to the Central Advancement Office at 1800 Grant St., Denver (GIK@cu.edu ^[2] or 303.541.1229)

Questions & Feedback ^[5]

Feedback or Question *

Your Name

Your Email Address

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This question is for testing whether or not you are a human visitor and to prevent automated spam submissions.

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Groups audience:

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AH Gifts-in-Kind CTA Side

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OUC-Where Policies

Source URL:<https://www.cu.edu/controller/procedures/accounting-handbook/gifts-kind>

Links

[1] <https://www.cu.edu/controller/procedures/accounting-handbook/gifts-kind> [2] <mailto:GIK@cu.edu>
[3] <https://www.cu.edu/controller/forms> [4] <https://www.cu.edu/controller/procedures/accounting-handbook/giftcharitable-contribution-processing> [5] <https://www.cu.edu/controller/forms/questions-feedback-0>