

WESTERN MICHIGAN UNIVERSITY FOUNDATION IN-KIND GIFT ACCEPTANCE POLICY

INTRODUCTION

A significant number of in-kind (non-cash) contributions are made to the University each year through individual colleges, departments and programs. Technically referred to as gifts of Tangible Personal Property, these in-kind contributions can include supplies, equipment, and material costs associated with donated services, among other things.

All of these gifts should be reported promptly to the WMU Foundation. The WMU Foundation is chartered to receive all gifts made to Western Michigan University, and it is the long-standing, written policy of the University that all gifts must be received by the Foundation, including all in-kind gifts. Failure to report in-kind contributions to the Foundation can have several detrimental consequences:

- The donor will not receive a bona fide receipt for the gift, since only the Foundation can issue such a receipt. This may adversely affect the donor's opportunity to claim a tax deduction if audited by the IRS.
- The donor's giving history will not accurately reflect the donor's support to the University since some gifts are not reported. As a result, the donor may not be adequately or appropriately recognized for the contributions, which may damage the relationship with the donor and diminish the possibility of future gifts.
- Unreported gifts are not included in the published totals for private support to the University. Failure to report any gifts hurts WMU's efforts to demonstrate that it has broad-based and growing private support and its efforts to show the strongest possible picture for private support for the University, as a whole, or for an individual college, department, or program.

Therefore, the following policy regarding appropriate documentation and counting of all in-kind gifts to Western Michigan University is set forth and supersedes all prior policies established for this purpose.

TANGIBLE PERSONAL PROPERTY (I.E., IN-KIND) GIFT ACCEPTANCE POLICY

All in-kind gifts should be reported to the WMU Foundation through use of an “In-Kind Gift Agreement” form (sample attached). The completed form is sent to the WMU Foundation along with any documentation provided by the donor. A copy of this should be retained by the department.

For items that are received for which no value is provided, the donor will receive recognition but no dollar value will be assigned for the item.

If an appraisal, invoice or other documentation is provided to substantiate the value of the in-kind gift, a dollar value will be included on the donor’s record.

- 1) **Personal Property Valued in Excess of \$5,000** - Is required by tax regulation to meet certain criteria:
 - a. The donor must pay for an appraisal by a qualified appraiser.
 - b. The WMU Foundation must acknowledge the gift and appraisal in writing.
 - c. The WMU Foundation is required to notify the Internal Revenue Service of the sale of any property gift sold within two years of the date of the gift.

- 2) **Works of Art** - Gifts, both self-created and purchased, will be accepted by the WMU Foundation. However:
 - a. The decision whether or not, and where, the art is displayed will rest with the University.
 - b. No commitment will be made to keep the art. If it is not suitable for display, it will be sold.
 - c. The gift will be placed on the WMU Foundation’s books at \$1.00, unless a valid independent appraisal is supplied at the donor’s expense.
 - d. If the art has appreciated since acquisition by the donor, the donor will be advised about whether the gift is “related to the charitable purpose.” If it is not “related,” the donor may receive a deduction, which is less than if the gift were for a “related use.”

3) **Furniture**

- a. Will be accepted if the furniture is either:
 - (1) Usable in any WMU college, department or program.
 - (2) Can be quickly sold for an amount approximating the amount the donor wishes to take as a tax deduction.
- b. Donors are responsible for establishing their own deduction.
- c. The WMU Foundation will ask a local furniture dealer to give an estimate of value so that it can be properly booked as an asset in cases where the item is to be used by any University college, department or program.

4) **Automobiles and Other Vehicles** - Will be accepted by the WMU Foundation when they are in working order and salable and will be booked by the Foundation at wholesale "Blue Book" price less any necessary repairs.

- a. Vehicles unsuitable for use by any University college, department or program will be sold.
- b. The donor will be advised about whether the gift is "related to the charitable purpose." If it is not "related," the donor may receive a deduction, which is less than if the gift were for a "related use."

5) **Used Scientific Equipment**

- a. Will be accepted if the equipment is usable in any University college, department or program.
- b. Donors are responsible for establishing their own deduction.
- c. The equipment will be carried on the WMU Foundation books fair market value as of the date of the gift.

6) **Contributed Services** – Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Services requiring specialized skills are provided by; accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers and other professionals and craftsmen. Contributed services and promises to give services that do not meet the above criteria shall not be recognized.

7) **Other Miscellaneous Personal Property**

- a. Other items of property will be accepted, if:
 - (1) They are useful to any University college, department or program.
 - (2) They are easily attainable.

- b. Establishment of value is always the responsibility of the donor.

- c. Other matters that will be taken into consideration by the WMU Foundation before deciding on acceptance of gifts of personal property will be:
 - (1) Transportation cost
 - (2) Storage cost
 - (3) Cost of selling
 - (4) Maintenance and repairs

- d. Boats
 - (1) An independent appraisal is to be obtained by the donor to establish:
 - (a) The donor's charitable income tax deduction.
 - (b) A reasonable value for carrying the asset on the WMU Foundation's books.
 - (c) An asking price.

 - (2) The WMU Foundation will attempt to sell the boat at the appraised value for a reasonable period.
 - (a) A reasonable period is one year.

 - (3) If, because of the cost of maintenance and mooring or other storage charges, the WMU Foundation is unwilling to keep the boat for a reasonable period, the donor will be so informed.

Approved by WMUF Board of Directors 6/3/09