

# GIFTS IN-KIND DONATIONS POLICY AND PROCEDURE



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## GIFTS IN-KIND DONATIONS POLICY

Gifts in-kind refer to contributions of products, inventory or services to the college.

This policy establishes the conditions under which gifts in-kind may be accepted by the college and assigns authority for such acceptance.

Authority to accept gifts in-kind is provided under Minnesota Statute 136F.80 and outlined in MnSCU Board Policy 8.1 (Gifts and Grants). Under that policy, Anoka Technical College is authorized to accept all gifts valued under \$50,000 with the exception of real property, on behalf of the Board of Trustees. All gifts of real property must be formally accepted by the MnSCU Board of Trustees as well as gifts in-kind valued at over \$50,000. All donations of equipment to the College shall be approved by the appropriate administrators **prior to being accepted**.

Gifts in-kind should enhance either the college's day-to-day operations or its mission and goals. Therefore, the college should not accept gifts that are obsolete, damaged or unrelated to its mission/operations.

As outlined in MnSCU Board Policy 8.1, the following must also be considered before accepting gifts in-kind:

- Any potential tort liability
- Any conflicts of interest
- The cost of altering, operating or maintaining the gift property
- Any cost associated with hazardous waste
- Any taxes or special assessments that must be paid prior to the transfer of the gift title

The appropriate administrator will deem the gift appropriate for acceptance by signing documentation as described in the corresponding ATC Procedure 2.26. All paperwork related to a gift in-kind will be forwarded to the ATC President's Office for acknowledgement of the gift.

## **GIFTS IN-KIND DONATIONS PROCEDURE**

Gifts in-kind will be reviewed, accepted, inventoried and recorded according to the following steps:

1. Prior to accepting gifts in-kind, the appropriate administrator(s) will deem the gift suitable for acceptance based on criteria included in ATC Policy 2.26. Prior to acceptance of the donation, the educational benefit gained by students from acceptance of the donated item will be documented. If the donation is to replace another piece of equipment, the plans for disposal of the replaced equipment will also be documented.
1. The *Authorization for Gifts In-kind Form* should be completed by the donor and department to receive the gift. Forward the completed form to the appropriate administrator for approval. If approved, the *Authorization for Gifts In-kind Form* will be forwarded to the President's office for a letter of acknowledgement of the gift. When gifts in-kind are valued at \$50,000 or more by the donor and given directly to the college, an additional form, *MnSCU Procedure 7.7.1 Gifts and Grants Acceptance Reporting Form*, must be completed. (This MnSCU form is not required when gifts in-kind are given to the ATC Foundation.)
2. If the gift is not deemed suitable for acceptance, the appropriate administrator or his/her designee will contact the prospective donor to communicate the college's decision regarding acceptance of the gift.
3. A letter acknowledging receipt of the gift will be sent to the donor by the College President. Copies of the letter will be forwarded to the College chief financial officer.
4. For income tax purposes, it is the responsibility of the donor to determine the fair market value of the gift. College personnel must not accept this role. Donors should be advised that they must complete IRS Form 8283 <http://www.irs.gov/pub/irs-pdf/f8283.pdf> if their total tax deductible gifts exceed \$500 in a given year. The donor will also be advised that a "qualified appraisal" is required for a single non-cash gift over \$5,000 in order to complete IRS Form 8283. The appropriate administrator will sign this IRS form acknowledging receipt (not value) of the gift.
5. If the gift is valued at more than \$50,000 or is real property, the College President will report it to the MnSCU Chancellor's Office and for approval by the MnSCU Board of Trustees.
6. In the event that the college sells the gift within two years of receipt, it must file an information return with the Internal Revenue Service naming the original donor and the sale price.
7. The College purchasing officer will inventory and complete accounting paperwork as appropriate.
8. The College President's office will maintain a list of gifts in-kind and report annually to the MnSCU Board of Trustees.