Gift In Kind Policies

This is the University of Virginia policy for the acceptance, recording and disposition of gifts of personal property.

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.

Intangible Personal Property

Intangible personal property is property, other than real property, whose value stems from intangible elements rather than physical or tangible elements. Examples of intangible personal property include stock, patents, copyrights, licenses and computer software. Stock gifts are part of a separate policy section.

Solicitation and Acceptance

Gifts of tangible or intangible personal property will be considered for acceptance only if needed by the University for use in a manner which is related to the University mission of education, research, health care and public service or after a review indicates that the property is readily marketable.

An offer of a personal property gift to the University may be recommended for acceptance on behalf of the University by deans, directors, curators and other authorized officers (See Authorized Officers). The recommendation is made using, as appropriate, any of the three official deed of gift forms. See Deed of Gift Preparation Procedures for instructions on how to complete these forms. These forms can be obtained from Gift Accounting.

The recommendation of acceptance of personal property with an estimated value less than $5,000 can be made by a Dean, Vice President, Librarian, Curator, or Director by executing the Deed of Gift form. Signing the form indicates the personal property has been received by the area, has no restrictions placed on its use by the donor, is of value to the area, and, will be used by the area to further the mission of the University.

The recommendation of acceptance of personal property with an estimated value of $5,000 or more can be made by the Dean, Vice President or Librarian by executing a Deed of Gift form. Signing the form indicates the personal property: has been received by the area, has no restrictions placed on its
use by the donor, is of value to the area, and will be used by the area to further the mission of the University.

In both of the above cases, the executed Deed of Gift and supporting documentation verifying the gift’s value should be sent to the Director of Gift Accounting for review, acceptance and recording. Formal acceptance of the gift will be made by the Board of Visitors or its designees. The Director of Gift Accounting is authorized to accept gifts of less than $1 million otherwise acceptance must go through the Assistant Vice President for Finance. In cases involving donor-requested restrictions and other unusual circumstances, the Gift Policy Committee will review and approve the acceptance of the gift. Completion of the acceptance portion of the deed will constitute the University’s final acceptance of the personal property gift from the donor.

**Intellectual Property Gifts**

The University can accept gifts of software, patents and other intellectual property. In many instances, the donor is the developer of such property and is giving the University the right to use such property, not the copyright to the intellectual property itself. For these cases, the University has developed a “Deed of Intangible Property Gift” form. The language of this form differs from the standard language in that the donor is acknowledging the donation of only the use of the intellectual property given to the University.

Further explanation of what is being donated can be added to the Special Conditions section of the Deed of Intangible Property Gift form. The Vice President for Research will be consulted before the acceptance of intellectual property gifts. Please contact the Director of Gift Accounting in cases involving special situations.

**Valuation**

Valuation refers to the value placed on the property gift for University gift crediting purposes. It should be noted the University’s valuation might not be the same value used by the donor for their tax deduction. It is the responsibility of the donor to be able to substantiate to the IRS the gift value used on his/her tax return.

Small gifts of personal property with an apparent worth of less than $250 may be unofficially valued by University personnel with expertise related to the gift. University personnel may provide informal assistance to help the donor value the gift, but the donor is ultimately responsible for determining the actual valuation.

University personnel with particular expertise in the personal property may provide informal assistance (including suggesting an appraisal) to the donor in valuing an individual gift or group of gifts with an apparent value of less than $5,000 but, again, the donor is ultimately responsible for determining the actual valuation.
Personal property gifts with a value of $5,000 or more will require an appraisal (performed within IRS time requirements) from a qualified third party appraiser for gift recording valuation purposes. The IRS requires donors to obtain an appraisal to substantiate their charitable tax deduction for gifts valued at $5,000 or more. The cost of the appraisal will be the responsibility of the donor.

In cases where the donor is not claiming a tax deduction and thus isn’t required to obtain an appraisal, documentation should be submitted with the deed to support the valuation placed on the gift. Please contact the Director of Gift Accounting in cases involving this special situation.

Gifts involving the payment of expenses for an event must be substantiated by both the event receipts and payment documentation to prove who actually paid for the expenses. The payment documentation is required to ensure the tax receipt is issued properly.

Property received from the manufacturer will be valued at the cost to the University if the University were to purchase the equipment on the open market. In some cases, including the educational discount would be appropriate in determining the valuation to be used.

Gift Accounting reserves the right to evaluate the reported valuation for reasonableness before recording and to seek Gift Policy Committee approval in unusual instances.

Gift Recording and Receipting

Property gifts will generally be recorded on the Development gift system in the month the gift is accepted. A completed Deed must be received in order to record the gift. The donor's gift valuation (if verifiable) will establish the amount for which the donor receives gift credit. Gifts that can not be verified as to value will be recorded on the gift system at one dollar ($1) until such time that value can be ascertained. These gifts are recorded on the Development gift system using a gift in kind payment type and on the University financial accounting system at fiscal year-end using a gift in kind object code. Gifts to the Medical Center are recorded on the Development gift system in the same manner and reported to Medical Center Finance monthly for financial recording purposes.

Gift Accounting will receipt the property gift in accordance with IRS requirements. The gift in kind receipt will describe the property given, the date the property was received by the University and document the account where the gift was recorded. The date used on the receipt will be the date, per the acceptance recommendation section of the deed, when the property was received and in the control of the University.

The receipt will not value the property gift because the charitable deduction valuation is the responsibility of the donor to determine. The receipt will also indicate that the donor may need to file IRS Form 8283 with an appraisal of the donated property. The receipt will be mailed directly to the donor along with a fully executed Deed of Gift. A copy of the deed will be sent back to the receiving department for their records.
The Director of Gift Accounting will complete and sign the University’s section IRS Form 8283 for any donor who submits a signed form to our office. This tax form must be completed by the donor before the University will sign for having received the property.

Gift Accounting provides a copy of the deed and supporting documents to the University Property Accounting Department or the Medical Center Finance area (Medical Center gifts) for general ledger recording and insurance purposes. At the fiscal year-end, Gift Accounting will provide a report of all property gifts received to Property Accounting and Medical Center Finance for reconciliation purposes.

**Property Gift Disposition**

The University may sell a gift of property and place the proceeds in a specific fund of the University as requested by the donor or as approved by either the Director of Gift Accounting or the Assistant Vice President for Finance. The Assistant Vice President for Finance must approve exceptions to this policy. If the gift is given with the intent of being sold within two 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.

The University area responsible for disposing of the gift will receive, in writing, any guidelines that Assistant Vice President for Finance wishes to impose on disposition. These can include, but are not limited to, minimum sales price and approval or rejection of any special arrangements with the donor.

Until the property is sold or otherwise disposed of, the University area responsible for disposing of the gift will prepare quarterly status reports and distribute them to the Assistant Vice President for Finance and to the area benefiting from the gift.

Approval of the Assistant Vice President for Finance is required before an asset may be sold for less than appraised value, estimated fair value or other guidelines.

Upon the sale of the property, the University area responsible for disposing of the gift will prepare a final report on the property and document the net proceeds to be received from the sale. This report is to be distributed to the Director of Gift Accounting, University Property Accounting or Medical Center Finance and to the area benefiting from the gift. This information will also be filed in the donor’s central file.

Gift Accounting is responsible for filing IRS Informational Form 8282 for gifts of personal property valued at $500 or more sold by the University within two years of the date of gift. Property Accounting and Medical Center Finance will provide Gift Accounting with property auction sale information.
Recognition

In most cases, the valuation amount will be credited to the legal donor of the property. When appropriate, other donors will be given associated credit for purposes of donor recognition.

Restrictions on Gifts of Personal Property,

The following restrictions or considerations in connection with personal property will prohibit acceptance by the University:

- Gifts involving significant University expense, either directly or indirectly, for their present or future use, display, maintenance or administration unless with Board of Visitors approval.

- Gifts where the donor has asked to be indemnified. The University can not legally bind itself to indemnify the donor from liability arising in the course of the University using the property.

- Gifts of personal property (such as books and paintings) made on the condition that the items will be loaned back to the donor or persons designated by the donor for life or extended periods of time to be determined by the donor.

- Gifts to the University of personal property such as paintings, other works of art, furniture, or collections should not be accepted if made on the condition or expectation that the items will be permanently exhibited, or that the collections will be maintained and shown as such. Any gift offered with such a restriction or condition will be reported to the Assistant Vice President for Finance for acceptance.

Authorized Officers

A gift of personal property may be recommended for acceptance by any of the following:
University President
Vice Presidents
School Deans
Associate Vice President and Director of University Development
Assistant Vice President for Development
University Librarian
Associate University Librarian
Director, Special Collections
Associate Director, Special Collections
University Archivist
Director, Bayly Art Museum
Director of University Planned Giving
Authorized Officers-Continued
Director of Corporate and Foundation Relations
Director of Special Projects, Office of University Development
Director of Regional Development
Director of Development for the College of Arts and Sciences
Director of Development for the School of Engineering and Applied Science
Director of Development for the McIntire School of Commerce
Director of Development for the School of Education
Director of Development for the School of Architecture
Director of Development for the School of Nursing
Director of Athletics
Associate Vice President for Health Sciences Development
Director, Claude Moore Health Science Library
Executive Director, Virginia Student Aid Foundation
Executive Director, Law School Foundation
Vice President for External Affairs, Darden School Foundation
Executive Director, University of Virginia Alumni Association
Director, Medical Alumni Association

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Director of Gift Accounting