

Policies and Procedures

SECTION: Financial	NO. 3.1.17.		
CHAPTER: General	ISSUED: 8/31/11	<i>REV. A</i>	<i>REV. B</i>
POLICY: Gifts-In-Kind	<i>PAGE 1 OF 3</i>		

PURPOSE

To provide guidance for the acquisition, use, disposal and recordkeeping of gifts of tangible property (excluding real estate) and securities. Please refer to Policy 3.1.2 for direction regarding Real Estate Gifts.

POLICY

Creighton University may accept contributions of goods that can be used to advance the mission of Creighton and/or any of its affiliates, or that may be converted into cash. Prior to accepting any Gifts-In-Kind (“GIK”), University personnel must consult with the Office of Development in University Relations. Acceptance of a GIK with a fair market or appraised value of \$5,000 or more requires the approval of the Senior Associate Vice President of Development and Campaign Director, the Associate Vice President for Finance (“Associate VP Finance”) and/or the General Counsel.

The University cannot offer tax advice or determine the value of the contribution. It is the responsibility of the donor to substantiate to the IRS the gift value for tax purposes. The University reserves the right to evaluate the reported valuation for reasonableness for gift recognition purposes.

The IRS requires a donor to submit IRS Form 8283 for GIK donations with an estimated value of \$5,000 or more. A donor may request the University complete IRS Form 8283 Part IV, which must be signed by the Associate VP Finance. The University signature is not required on Form 8283 for gifts of securities.

Gifts-In-Kind, Tangible Property, Valued at or above \$5,000

Before accepting a GIK with an estimated value of \$5,000 or more, a Development Officer or other University employee who is aware of the potential GIK must obtain approval from the Senior Associate Vice President of Development and Campaign Director, the Associate VP Finance and, if necessary, the General Counsel. In certain cases, the University may not be able to accept the offer of a GIK if the item is deemed to be illiquid or incompatible with the University’s mission.

The Office of Advancement Services in University Relations will issue the University’s official receipt to the donor. In compliance with IRS regulations, the receipt will contain a description of the contribution and will not include a statement as to the monetary value of the contribution. It will further contain a statement as to what, if any, goods were given in exchange for the contribution.

If the GIK is from an individual, the IRS requires the donor to provide an appraisal prepared by a qualified appraiser to substantiate his/her charitable tax deduction. Refer to the section “Qualified Appraisal Requirements” in the IRS Code for details. The cost of the appraisal is the responsibility of the donor.

The appraiser completes Section IV of IRS Form 8283 and the donor completes Line 5, Columns (a) and (b) and Part II if applicable; Part IV will be signed by the Associate VP Finance.

If the University has signed an IRS Form 8283 and then sells, exchanges or otherwise transfers the GIK within three years from the date of gift, the University must, in most circumstances, file a donee information return (IRS

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Form 8282) within 125 days of disposing of the property. If the University donates the item to another charity, Form 8282 also has to be completed with 125 days of disposition.

The Office of the Associate VP Finance is responsible for the disposition of all GIK's and the completion of Form 8282.

The University also will advise the donor if such a transaction occurs as it may affect the charitable tax deduction for which the donor qualifies. A Development Officer will coordinate any subsequent communication to the donor.

Qualified Appraisal Requirements

- I. Appraiser must hold himself or herself out to the public as an appraiser and state credentials showing that he or she is qualified to appraise the type of property being valued.
- II. Appraiser must value the property no more than 60 days before the date of gift.
- III. Appraiser cannot be the donor or employed by the University or its affiliates.

The appraisal must contain the following information:

1. A description of the item
2. Statement of its physical condition
3. The date (or expected date) of the contribution
4. Name, address and tax ID number of the appraiser
5. Qualifications of the appraiser including his/her background, experience and education
6. Statement that the appraisal was prepared for income tax purposes
7. Date the item was valued
8. Appraised fair market value of the item
9. Method of valuation (income approach; market data approach; replacement cost minus depreciation approach.)

Securities

Donors wishing to make a gift of securities should contact the Office of Development in University Relations for guidance on transferring securities to the University's brokerage firms.

Gifts of security are recorded for recognition purposes at the mean of the high and low price per share on the date the security reached the University's brokerage account.

Gifts in Kind Disposition

At the end of each fiscal year, the Associate VP Finance will prepare a written review of all GIKs held by the University and will update disposition intentions and estimated Fair Market Value (FMV) as appropriate.

Upon completion of GIK disposition, the Associate VP Finance will provide pertinent transaction documentation to the Controller's Office and to Advancement Services in University Relations. If the GIK was provided in support of an endowment, the value of the GIK reflected in the endowment will be adjusted to match the cash proceeds received by the University from the disposition.

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Conflict Resolution

The Gift Exception and Oversight Committee is comprised of the Controller and/or the Associate VP Finance, a member of the University's Board of Directors appointed by the President, and the University Relations Senior Director of Advancement Services.

This Committee will be convened to review and resolve any disputes related to the acceptance, accounting, recording and stewardship related to GIK donations.

Disputes related to gift receipt for tax purposes, IRS filings or other legal matters will be addressed by the Associate VP Finance in collaboration with the Vice President for Finance and University General Counsel.

Exclusions

Contributed Services

Contributed services cannot be counted as a gift and do not qualify as a charitable tax deduction to the donor. However, a donor of services may be able to deduct expenses incurred while performing these services. In such cases, the donor should consult with a tax accountant. The University will not issue a receipt for contributed services. For donor recognition purposes, University Relations may decide to record these items at the FMV.

Materials

Materials created by the donor are limited to a tax deduction amount equal to the cost of the materials used to create the piece. For donor recognition purposes, University Relations may decide to record these items at the FMV, but a receipt will not be issued

Real Estate

Please refer to Policy 3.1.2 for direction on Real Estate Gifts.

SCOPE

This policy applies to Gift-In-Kind donations offered to any Creighton University school, college or department by any donor.

AMENDMENT OR TERMINATION OF THIS POLICY

Creighton University reserves the right to modify, amend or terminate this policy at any time.