

Gifts-In-Kind Policy

Purpose: To standardize a process for receiving all gifts-in-kind so that the donor understands the process and gifts are accepted to further the mission of the university with an undue burden to the university.

Gifts-in-kind are non-monetary items of tangible personal property such as art, collectibles, books, equipment, automobiles, inventory, and other physical assets or materials that represent value to Minnesota State University Moorhead. We welcome many gifts-in-kind and are most grateful when donors think of us with this form of philanthropy.

However, gifts-in-kind can also present the university with issues of liability and extended budget issues. Therefore, it is appropriate that there be set guidelines for the acceptance of gifts-in-kind and that both donors and university personnel understand the necessary procedures and approvals before a gift-in-kind is officially accepted.

Gifts-in-kind, as defined above, must indeed be tangible property. Unreimbursed expenses such as food, professional or personal services, and limited use of private property are not considered tax-deductible, charitable gifts-in-kind by the Internal Revenue Service. We might certainly receive such gifts, but the donor will not receive a receipt for gift-in-kind from the Minnesota State University Moorhead Foundation.

Acceptance of Gifts-in-Kind by the Minnesota State University Moorhead Foundation, Inc.

When offered a gift-in-kind, the University may choose either to use or sell the gift-in-kind property or to decline the gift. When evaluating the acceptance of a gift-in-kind, the University will consider if the gift is needed, wanted, and/or has use within the institution or if it can be sold to benefit the University. Consideration will be given to the cost of accepting the gift (e.g. shipping and handling costs, installation charges, licensing fees, etc.), the long-term viability of the gift (e.g. maintenance costs, associated personnel needs, storage fees, insurance rates, copyright issues, etc.), and the resale market if the gift is to be sold. Some gifts, of course, will require paperwork documenting ownership (e.g. a signed title for a car or boat).

In light of these issues and responsibilities then, the ultimate acceptance of a gift must fall not to an individual faculty member but to the unit's director. Therefore, only Deans may accept gifts-in-kind for the individual colleges of Minnesota State University Moorhead. In the other divisions, gifts-in-kind may be accepted by the Vice Presidents. Because of the possibility of a gift impacting an area's overall budget, gifts-in-kind that have values of over \$5,000 will only be accepted if they are approved by the President.

Income Tax Charitable Deductions Available for a Gift-in-Kind

If the University accepts a gift-in-kind and completes and transmits the necessary signed forms to the Minnesota State University Moorhead Foundation, then the donor of the gift-in-kind may claim a charitable deduction for the fair market value of the gift if it is accepted for the University's exempt purposes. If a gift-in-kind will not be used for the University's exempt purposes, a deduction can only be claimed for the property's cost basis (usually the original amount paid by the donor for the property).

Instructions for Completing a Gift-in-Kind

Specific instructions are in place for a gift-in-kind to be completed and thus for a donor to receive an income tax deduction:

Contributions of Gifts-in-Kind Valued from \$1.00 to \$4999.99 by the Donor – The donor must complete his/her portion of the Minnesota State University Moorhead Foundation, Inc.'s Gift-in-Kind Contribution form, including the donor's social security number and address. The Dean or Vice President of the receiving unit then must complete the department's portion of the form. The Dean or Vice President receiving the gift-in-kind must inform the donor that an IRS Form 8283 will need to be filed with his/her tax return to claim the deduction and that the donor should advise his/her tax consultant. A copy of IRS Form 8283 will be sent to the donor along with the receipt for the gift-in-kind. The completed form should then be sent to the Alumni Foundation for receipting.

MSUM Foundation | UPO Box 68 | 1104 7th Avenue South | Moorhead, Minnesota 56563

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The MSUM Foundation is an independent 501 (c) (3) charitable organization dedicated to Minnesota State University Moorhead and its alumni and friends.

Contributions of Gifts-in-Kind Value at \$5,000.00 or more by the Donor – In addition to the above instructions, the Dean or Vice President receiving the gift must pass the Foundation, Inc.'s Gift-in-Kind contribution form on to the President for approval and signature. The donor will then be informed that an IRS Form 8283 is absolutely required by the IRS and by the Minnesota State University Moorhead Foundation. The donor will then need to have an independent appraiser sign the IRS Form 8283 and return it to the Foundation for acknowledgment and receipting. For gifts of this value, the donor should certainly seek the advice of his/her tax consultant. Note that if the item donated is sold, transferred, or disposed of within two years from the date of the gift, the Dean or Vice President must notify the Minnesota State University Moorhead Foundation, Inc. in writing so that the Foundation might comply with IRS regulations regarding such a transaction.

After the gift acceptance form has been completed and fully accepted by the Minnesota State University Moorhead Foundation, then the gift-in-kind may be immediately turned over to the University and added to its inventory, or the Dean or Vice President may ask the Foundation to hold ownership for disposal or for future considerations.

If the unit or the President decides not to accept a gift, the donor should be notified by the Dean or Vice President and given a tactful reason why the gift cannot be accepted.

Origination Date: Unknown Revision Date: January 1, 2016

Organization Name updated: October 5, 2018

Gift-in-Kind Contribution

Minnesota State University Moorhead Foundation, Inc.

I hereby give to the Minnesota State University Moorhead Foundation, Inc., for the benefit of Minnesota State University Moorhead, all of the following described property:

Currently valued at approximately \$_____, for the use of _____ department/
program at Minnesota State University Moorhead.

Name of Donor _____ EIN #: _____

Address _____

Signature _____ Date _____

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On behalf of Minnesota State University Moorhead, I gratefully receive the above- described property, given for the educational uses of our department/program, through the Minnesota State University Moorhead Foundation, Inc.

Dean/Vice President _____ Phone _____

Account to Receive Gift _____

Signature _____ Date _____

President of the University Signature (if required):

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Form approved and accepted by the Minnesota State University Moorhead Foundation, Inc.:

Executive Director of the Foundation _____

Signature _____ Date _____