

NON-CASH (IN-KIND) CONTRIBUTIONS

PURPOSE

To establish guidelines for the receipts and acknowledgements of non-cash, in-kind gifts to any office or department of Westfield State University. Claims of such gifts are closely scrutinized by the Internal Revenue Service.

DEFINITIONS

1. **Non-cash or in-kind gifts** may be donations of new or used instructional or scientific equipment; computers; classroom or office supplies; furniture; books; musical instruments; recordings; collections of stamps, coins, jewelry, and the like; and works of art.
2. A **donor** can be an individual, partnership, or corporation. Westfield State University is a **donee** organization.
3. Tax deductions for non-cash donations are based upon **Fair Market Value (FMV)**, the price a willing buyer would pay a willing seller when neither has to buy or sell, and both are aware of the sale conditions
4. A **qualified appraiser** is an individual who holds himself or herself out to the public as an expert appraiser of the type of property being evaluated and performs such appraisals on a regular basis. A qualified appraiser cannot be an employee of the donor or donee.
5. Gifts of real estate and securities are not covered by this policy.

POLICY: For Donors Wishing to Claim a Tax Deduction

1. It is incumbent upon Westfield State University to treat non-cash donations in a manner which does not jeopardize a donor's standing with the Internal Revenue Service.
2. Once a department or office is about to enter into discussions or negotiations for a non-cash donation with a donor, the Office of Advancement and University Relations must be notified immediately. Acceptance decisions will follow existing Westfield State University policies. The Office of Advancement and University Relations role is to assist in encouraging any such gifts and to

implement proper acknowledgement procedures once the gift is finalized. In the latter regard:

- a. Evaluations by donee employees are not acceptable by the IRS. Even formal evaluations given casually may mislead donors. Therefore under no circumstances is an employee of Westfield State University to give a donor an FMV gift valuation, either verbally or in writing. Nor may they make any promises about deductibility. Appraisals and the resulting deduction claims are entirely the responsibility of the donor.
- b. The Office of Advancement and University Relations will maintain a supply of IRS Forms 8282 (Donee Information Return) and 8238 (Noncash Charitable Contributions), fill these out as appropriate, and work with the donor and donor's advisors to file them in a timely manner.

POLICY: For Donors Not Claiming Deductions

1. Even though there are no IRS consequences for unreported non-cash donations, once a department or office is about to enter into discussions or negotiations for such donations with a donor, the Office of Advancement and University Relations should be notified. The services of the Office of Advancement and University Relations are available to help "close" gifts and encourage future donations. (In addition, donors can change their minds about taking deductions; therefore the guidelines regarding donee evaluations given in §2a should always be followed.)
2. Acceptance decisions will follow existing Westfield State University policies.

PROCEDURES

1. In order to request approval to receive a non-cash/in-kind gift, the department or office in question will request a Non-Cash/In-Kind Gift Acceptance Form from the Office of Advancement and University Relations. Upon the completion of this form to the satisfaction of the approving authorities;
 - a. Physical arrangements will be made to transport and receive the gift.
 - b. The University's Vice President for Administration and Finance will receive a copy of the form.

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- c. Facilities & Operations will receive a copy of the form in order to add the gift to the University's physical assets inventory when it arrives.
 - d. The Office of Advancement and University Relations will initiate the acknowledgment process.
- 2. Westfield State University is not obligated to accept non-cash contributions.
 - a. Items accepted must be considered as having some value to the campus or a campus program.
 - b. The University must acknowledge its ability to maintain, use or store the gift upon receipt.

REVIEW

This policy will be reviewed annually by the Chief Development Officer.