

DSU HERITAGE Foundation

GIFTS IN KIND

Gifts in kind are an important way of benefiting DSU and the DSU Heritage Foundation. Gift in kind include:

- Property other than cash
- Marketable securities
 - Works of Art
 - Books
 - Equipment
 - Furnishings
 - Automobiles
 - Software and Licensing

A gift in kind requires an official transfer of ownership of property from the donor to the foundation. The IRS requires the donor to determine the fair market value of the gift for the individual, foundation or corporate tax reporting purposes. The DSU Heritage Foundation will issue a gift in kind receipt consisting of a simple description of the donated property. The Foundation will recognize the donor for the value of the gift without referencing or receiving a specific dollars amount.

Gifts in kind that have a fair market value of more than \$5,000 require the completion of IRS Form 8283. Acceptance of a gift in kind is made by our Gift Acceptance Committee at the DSU Heritage Foundation. Further, gifts in kind that involve unique handling provisions or require a consequent use of University resources such as personnel costs, storage facilities, set-up costs or license fees may require a written agreement between the donor and the University.

Corporate gifts in kind of \$25,000 or more should be substantiated by a list of the donated property, inventory or equipment along with a record of software and the length of or type of licensing provided with a value for any annual support agreements. The substantiation may be in the form of signed correspondence from the corporation.

It is the practice of the DSU Heritage Foundation, after fully accepted by the Board, to either transfer ownership of gift in kind assets to DSU or liquidate the asset within 60 days. Donor intent must be documented and followed at all times.

How to give a gift in kind

- The asset must be placed in the physical possession of the DSU Heritage Foundation.
- The Gift In Kind Form should be completed. The development officer will provide the form and assist in this process, allowing the donor to determine fair market value and fill in the description of the gift in the space provided. IRS regulations require the donor to determine the fair market value. For corporate gifts of \$25,000 or more, a letter from a representative of the corporation stating the fair market value with an accompanying inventory of the donated property is acceptable.

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- When the fair market value is over \$5,000, the donor is required to fill out IRS form 8283, attach a qualified appraisal when instructed and complete the form by a signed declaration of appraiser. The exception to this is C Corporations. The completed paperwork can be given to your college or unit contact who will then forward it to the DSU Heritage Foundation where the transaction will be acknowledged and receipted. The IRS Form 8283, which is acknowledged by the Foundation, will be returned to you with the gift receipt. The Foundation recommends that the donor consult with his/her tax advisor to determine the appropriate tax consequences of any charitable contribution.
- The DSU Heritage Foundation-issued gift receipt will make no reference to the fair market value of the gift in kind, only a brief description of the donated property. The Foundation will record the fair market value for recognition purposes only.
- Any gift in kind that is determined by the DSU Heritage Foundation Gift Acceptance Committee to be inappropriate for permanent preservation may be disposed of by the University.
- Donors are asked to complete and sign an authorization form providing the Foundation instructions for publicizing the gift in kind.

Whenever the items cannot be used for an educational purpose, the donor's charitable deduction will be limited to the lesser of the cost basis or fair market value. Gifts of items with no related use will be reviewed on a case-by-case basis for acceptance.

