Western Illinois University Foundation, Inc. Gifts-in-kind Policy

Policy#: .

Effective Date: 7/ q F

on the Foundation/Alumni (FDAL) and
FRS Accounting systems.

2. APPLICABILITY

All gifts other than cash, checks or investments given for the benefit of the University.

3. POLICY

It is not unusual for colleges, departments or other units of the University to receive contributed services, materials, and/or equipment. Because in-kind gifts are a credit to all concerned and can encourage additional contributions, the Foundation requests
notification when in-kind gifts are contemplated or made.

Donors of in-kind gifts will receive an acknowledgement with the description of the item
that does not reflect any valuation in accordance with the IRS rules. Gifts-in-kind will be recorded at fair market value. The donor will receive recognition at the appropriate giving level. Gifts which are non-deductible as defined by IRS Publication 526 will be recorded on the Foundation/Alumni (FDAL) system for recognition purposes only.

IRS regulation prohibits the WIU Foundation from valuing in-kind contributions for income tax purposes. However, it is often able to provide guidance to donors and recipients on how such values can be properly ascertained. This information may affect tax considerations for donors. IRS guidelines require an independent appraisal for equipment gifts valued at $5,000 or more.

Equipment gifts-in-kind will be added to the University inventory if the unit cost of the individual piece of equipment is greater than $5,000 and is an item to be capitalized. Library materials are added as equipment gifts-in-kind regardless of value. IRS guidelines require an independent appraisal for property valued at $5,000 or more. More information about appraisal requirement may be found in IRS Publication 561. The Foundation financial statements will reflect an expense for transfer to the University and gift-in-kind revenue.

Equipment gifts-in-kind valued from $100- $4,999 will be recorded in the Foundation financial statements as GIK Equipment $100 - $4,999 expense and gift-in-kind revenue.

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Equipment gifts-in-kind valued less than $100 will be recorded in the Foundation financial statements as GIK Equipment <$1 00 expense and gift-in-kind revenue.

Service gifts will be recognized in the financial statements ifthe services either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Services that do not meet either of the preceding criteria will not be recognized in the financial statements.

Gifts given for resale, such as auction items and raffle prizes, will be recognized in the financial statements as a cost of sale expense, regardless of the value or type of gift.

Real Estate gifts must be approved by the University Property Acceptance Committee
and the Foundation Executive Committee. An appraisal from a certified appraiser is
required for all real estate gifts. They will be recognized in the financial statements of the University or the Foundation depending on the registration of the deed.

4. CLARIFICATION

Requests for clarification of this policy should be sent to the Foundation Senior
Accountant (JS-Gabbert@wiu.edu)

Certified as approved by the Executive Committee of the Western Illinois University Foundation Board of Directors on:

Date 7/1 I o,g

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References:

SAS116, IRS Pub 526 & 561

Revision history:

Revision ofFY05 policy

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