**Policy Summary**

Gift in Kind donations require formal acceptance and are reported to the University of Wisconsin System Board of Regents. A Gift in Kind donation may be a tangible item, good, and/or service, which are typically items that the University would have to otherwise buy if the item, good, or service hadn't been donated. Gift in Kind donations of tangible, personal property made to the University of Wisconsin-Madison (the University) are facilitated through the Division of Business Services, Accounting Services, Gift Management. Gift in Kind donations to the University, other than tangible, personal property, should be routed to the Wisconsin Foundation and Alumni Association (WFAA) for processing. See Appendix A for examples.

**Policy Application**

This policy applies to all University of Wisconsin-Madison divisions, department and employees accepting and receiving a Gift in Kind donation.

**Rationale**

Adherence to this policy will ensure that a Gift in Kind is accepted in accordance with the University’s mission and programs. The policy is also in place to ensure that the potential benefit of the gift is greater than the potential costs related to the gift. Further, the policy will ensure a Gift in Kind is reported to the University of Wisconsin System Board of Regents.

**Policy Detail**

**I. Consideration of Gift in Kind**

The following considerations should be made before acceptance of a donation:

- The gift should be relevant to the mission of the University and further the work of the departments and programs at the University.
- The donor’s intent should match the interests of the University.
- Consideration should be given related to the potential future costs associated with accepting the gift, such as maintenance, repair, storage, and/or preservation costs.
- Consideration and formal evaluation should be performed related to future competitive bidding concerns as well as any potential legal and/or insurance concerns associated with accepting the gift.
II. Acceptance of Gift in Kind
When an employee is notified of a potential Gift in Kind, the employee must notify the College, School, or Division’s Dean/Director’s office of the impending gift. If acceptance of the Gift in Kind is deemed appropriate, the employee must follow the Acceptance of Gift in Kind procedure. If the donor requests a signed agreement, acknowledging acceptance of the gift, the Accounting Services Director of Financial Information Management has been granted delegated authority to sign the agreement, pursuant to the UW-System President’s memo of October 1, 2012 and Regent Policy Document 13-1 General Contract Signature Authority, Approval, and Reporting.

Gift in Kind donations are to be recorded at a measurable and determinable fair market value at the date the gift is received. Following is a list of acceptable sources used for providing fair market values:

- Third Party Appraisal (may be required if donor completes IRS Tax Form 8283 – Noncash Charitable Contributions)
- An itemized inventory list
- An invoice or letter substantiating the fair market value of the gift
- Published value of the gift (i.e. catalog or website print out)

III. Receipt of Gift in Kind
Approvals to accept a Gift in Kind donation must take place prior to taking custody of the donation. Receipt of the Gift in Kind is coordinated at the department level and may include additional personnel such as Accounting Services, Property Control and the Department Property Administrator when capital equipment is involved. Gift Management will report the Gift in Kind to the University of Wisconsin System Board of Regents.

IV. Disposal of Gift in Kind valued at $5,000 or more
Disposal of a Gift in Kind should be coordinated with the Gift Management department and, when necessary, the Accounting Services, Property Control department to ensure appropriate procedures are followed.

Consequences for Non-Compliance
Failure to comply with this policy could result in an audit risk to the University of Wisconsin - Madison.

Supporting Tools
Guidance on Donor Form 8283-Noncash Charitable Contributions
Guidance on Donor Form 8282-Disposal of GIK
Form 8283
Definitions

1. **Acknowledgement Letter**: For the purpose of this policy, an acknowledgement letter is the letter sent to a Donor to recognize a Gift in Kind donation.

2. **Asset Capitalization**: For the purpose of this policy, asset capitalization is defined as an asset with a value of $5,000 or greater and will be recorded as an asset on the general ledger.

3. **Asset Disposal**: For the purpose of this policy, asset disposal is defined as the discarding of a Gift in Kind by the University through sale or scrapping of the asset.

4. **Estate Bequest**: The act of giving personal property or money left to an individual or organization through the provisions of a will or estate plan.

5. **Fair Market Value**: For the purpose of this policy, fair market value is the probable price at which a willing buyer will buy from a willing seller.

6. **Gift in Kind**: A donated tangible item, good, and/or service that the University would typically have to otherwise buy if the item, good or service had not been donated.

7. **Personal Property**: Property that is moveable; assets that are not fixed permanently to one location.

8. **Real Property**: Any property attached directly to land, as well as land itself.

General Responsibilities

**Gift Management Accountant**: Responsible for the oversight, including monitoring and reporting donations received by the University of Wisconsin - Madison.

**UW Department**: Works with the donor to obtain appropriate Gift in Kind documentation and completes the Gift in Kind routing form to provide to its Divisional Dean/Director’s office.

**Dean’s Office**: Serves as a liaison between the campus department and gift management accountant, and provides signature as authorized approval of a Gift in Kind.

**Director of Financial Information Management**: Reviews and provides signature as an authorized official for Gift in Kind agreements between the University of Wisconsin-Madison and the donor.

**Tax Compliance Manager**: Reviews and completes requested donor tax forms.

**Risk Management**: Reviews Gift in Kind donations to assure that equipment and other goods are appropriately insured.

**Legal Affairs**: At the request of Accounting Services or Dean’s office, reviews Gift in Kind donations for potential legal issues.
Link to Related Policies and Procedures

110: Capital Equipment Policy
110.2: Capital Equipment Gift in Kind Procedure
Appendix A
Examples of Gifts in Kind

Route through Accounting Services, Gift Management
(campus department will take possession of the item)
- Machinery and equipment
- Lab equipment
- Artwork
- Books and publications
- Vehicles
- Farm machinery and equipment
- Live animals
- Supplies and materials
- Furniture and fixtures
- Audio and video pieces

Route through WFAA
- Real property
- Estate bequests
- Services
- Events hosted by donor
- Event tickets
- Assets to be liquidated; proceeds go into WFAA fund