Gift-In-Kind Basics

- Gift-in-Kind Education
- Gift-in-Kind Flow Chart
- Gift-in-Kind Report Form

Gifts-In-Kind (GIK) – An In-Kind gift is defined as a non-monetary gift usually given through an event, program or other function. These may include a company’s product, media time, or other business asset. Individuals may also make in-kind gifts such as athletic event tickets, a meal in their home, or special services that will be used in auctions or other fundraising events. All gifts received by the University that are not cash or cash equivalents are considered GIK. Examples of GIK would include land, buildings, equipment, automotive equipment, and supplies that can be used by the various departments in the University. GIK would not include cash gifts, gifts made by check, or items such as stocks and bonds that can readily be converted to cash.

Contributions of services (e.g. a haircut, consultation) or of partial interest (e.g., use of a space or use of equipment) are not deductible as charitable contributions. Furthermore, the Council for Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines exclude reporting of certain types of GIK to the Voluntary Support of Education Survey (services and partial interest). Clemson University has determined that some gifts excluded by CASE are important to record in order to properly steward donors and grow the relationship between the Foundation and its constituents. The Gift Acceptance Committee reviewed CASE Guidelines, IRS Regulations, and peer institutions to determine the best way to record GIK that would demonstrate value received through these gifts and not devalue the donor’s generous contribution. Gifts that are not reportable to CASE will be identified in the gift receiving database (Raiser’s Edge) and excluded from reports submitted in response to CASE surveys. The Gift Acceptance Committee thoughtfully evaluated Clemson’s GIK inventory and instituted the following criteria that must be met before a GIK can be booked:

1. Must support the Mission of Clemson University;
2. Must demonstrate value to Clemson University;
3. Must not represent an equal exchange in terms of direct and immediate benefits being conveyed; and
4. Must not complete a business transaction between the donor and Clemson.

Required Documentation
Before accepting or booking a GIK, the following two items are required:

1. GIK Form – For all GIK received by the University, a GIK Form must be completed with all required signatures and submitted to the Gift Receiving Department. By signing the GIK Form, the appropriate Department Heads and Deans are giving their approval to the appropriateness and desirability of the gift.
2. Gift Valuation - All GIK Forms must have the proper gift valuation documentation below.

Gift Valuation
Gifts of real and personal property should be reported at fair market value. Amounts reported for gifts should be determined without regard to the donor’s personal estimate of the gift's value. A
value or dollar amount should never be listed on any GIK acknowledgments, tax receipts, or other correspondences to the donor. Supporting documentation is required for all GIK.

Less than $5,000

- Supporting documentation such as similar item pricing may be used. Evidence of such amounts is required, i.e. catalog pricing, internet listing, etc.  OR
- A qualified CU employee may attest to the value of the GIK. Qualified means that the person has significant experience in the industry relevant to the gift. The employee’s valuation should be substantiated in writing.

$5,000 and Above

- Real estate and gifts of personal property of $5,000 and over must have a value established by a professional, independent, third party appraisal of the gift.
- The donor is responsible for the cost of the appraisal.
- Internal Revenue Service Form 8283 should be completed by the appraiser and signed by Gift Receiving.
- If the donor does not intend to take a charitable contribution deduction on their income tax return, Form 8283 does not need to be prepared and an appraisal can be made by a University department member for internal purposes only. This value must be approved by the Chief Financial Officer.

Various GIK Types

Large Equipment
Third-party valuation/documentation for large equipment used for specialized purposes may be difficult to obtain.

- The donor must provide an invoice that lists:
  - Retail Value
  - The amount contributed (GIK)
  - Net cost

We may require the manufacturer to provide documentation for the value of components used to produce the assembled unit.

Items being sold to CU at deep discounts
If a company offers to sell a product to the institution at a “deep discount” or “bargain sale,” the company should provide a bill of sale clearly indicating the retail (or educational/nonprofit discount) price, less the charitable contribution of the discounted amount, and a net cost. If the same discount applies to purchases made by the institution on a regular basis and is not uniquely identified as a special reduction to be considered a donation, no gift exists. Discounts afforded to the institution based on the nature of its business or because it is a major or frequent customer do not qualify as a gift.
**Services**

Professional services from an individual may be recognized if all three of the following criteria are met:

1. The person providing the service is a professional in the field of service being provided.
2. Without the donation, the University would have paid for the service. Services must be deemed necessary.
3. The service must fall within the mission of the University.

Professional services from a company may be recognized, provided the company supplies an invoice indicating the service provided, the standard billing rate for the service, and the donation amount.

**Leased Space and Equipment (Partial Interest)**

Gifts of the use of space or equipment may be counted for recognition purposes. The donor should provide third party documentation attesting to the lease value of the space or equipment. It is highly recommended that a lease agreement outlining terms of the use of the space and equipment, including lease beginning and ending dates. If there is a firm lease agreement outlining use dates, the gift will be booked for the entire lease period. If no lease agreement exists, the gift will be booked annually with certification of dates of use for the space or equipment by the Dean.

**Computer Software**

Irrevocable gifts of software may be booked as a gift at the educational discount value (if one exists) or the retail value if no educational discount exists. Revocable gifts of software will be counted for recognition purposes.

The complete software contract is sufficient documentation if it includes:

1. The standard educational price of the software
2. The actual discount being given

- If there is no educational discount customarily available, this should be stated in the contract.
- Totals on the GIK form should be easily linked to the related calculations and totals in the contract.
- Maintenance Agreements are always considered services, and are booked at intervals after the service is provided.