

GIFTS IN KIND PROCEDURES

In-kind gifts: non-cash gifts of personal property including but are not limited to the following:

- 1) Scientific equipment
- 2) Precious gemstones or metals
- 3) Book collections
- 4) Art (donated by the artist or owner)
- 5) Vehicles (must be related use, or on a case by case basis)
- 6) Royalty interests
- 7) Intellectual property (patents and copyrights)

Tangible personal property is property that can be physically touched or moved. (Items 1 – 5)

Intangible personal property is property that cannot be physically touched. (Items 6 and 7)

Gift in kind Policy

- When presented with a potential in-kind gift, the Institute must determine whether it will accept the gift and which division or unit will receive the gift on behalf of the Institute.
- In order to establish the gift value for tax purposes, the donor is responsible for obtaining and paying for an appraisal of the item in excess of \$5,000. The donor is also responsible for filing the IRS Form 8283, “Noncash Charitable Contributions”. If the donor requests for the IRS Form 8283, please notify the Advancement Information Services Team (AIS). AIS will complete and track the completed 8283 for Finance.

NOTE: If Caltech sells or uses the gift for a purpose unrelated to our educational mission, the Institute is required by the IRS to send IRS Form 8282, “Donee Information Return,” to the donor. Sale or

unrelated use of the gift may result in negative tax consequences for the donor.

Special Considerations in Determining Acceptance

- Is the item related to the mission and purpose of Caltech/used for a related purpose?
- Will the item be kept or sold? If sold, will it produce unrelated business taxable income?
- Consider the costs of maintaining the item over time, and other issues related to the upkeep of the item, such as storage, insurance or other special circumstances related to the donation of art or intellectual property.

Gifts of Intangible Property and Real Estate

For gifts of intellectual property, royalty rights, mineral rights, or real estate, please consult the Office of Gift Planning for assistance. OGP will complete and track the completed Form 8282 and/or Form 8283 for Finance.

Steps for in-kind gifts of tangible personal property (excluding artwork)

1. Receive notice from the donor or prospect manager of potential in-kind gift.
2. Work with the receiving unit (divisions, administrative offices, etc...) and prospect manager to determine if Caltech will accept the gift. Determine the individual(s) who will receive or pick up the gift on behalf of the relevant division. Instruct the donor or prospect manager accordingly. Work with Facilities as appropriate.

NOTE: The Development Office should not receive or pick up in-

kind gifts on behalf of any receiving unit.

3. In order to establish the value for tax purposes, the donor is responsible for obtaining and paying for an appraisal of the item in excess of \$5,000.

NOTE: To establish the value for tax purposes, assets with a value in excess of \$10,000 and a life expectancy of at least 2 years must be capitalized so the Institute requires some form of valuation.

4. If available, the prospect manager should request a copy of the appraisal from the donor.
5. Prepare the Gift in kind Acceptance form for the donor's signature.
6. The authorized person for the receiving unit signs the Gift in kind Acceptance form acknowledging receipt of the gift.
7. Prospect manager or receiving unit completes the designation section of the Gift in kind Acceptance form. The form should include all back-up documentation such as appraisals, photos, description, receipts, and invoice.
8. Gifts and Records team records the gift and prepares a gift receipt for the donor.
9. Gifts valued in excess of \$5,000 require an independent appraisal before being credited to a campaign goal. In the event a donor declines to get an appraisal for the property, the gift will be recorded in the database at \$1.00; however, Caltech may choose to get an independent appraisal and record the gift at that value.
10. When the donor returns IRS Form 8283, AIS completes section IV, and the Executive Director of Advancement Information Services signs the form. The signed 8283's are tracked and reported to the Assistant Director of Finance, FAAS and Tax Compliance.

In-Kind Gifts of Artwork

1. Gifts of art where the donor stipulates that the artwork must be held and publicly displayed by Caltech will typically be reviewed by the Caltech Art Committee which will provide the Vice President for Development and Institute Relations with a recommendation for or against including the art into the Institute's collection.
2. When a development officer receives notice from a donor of potential gift of artwork, the prospect manager prepares a proposal and submits it to the Art Committee for approval. AIS should receive a copy of the proposal. Pietro Perona is the contact person for the Art Committee. The Art Committee meets only twice per year (January and April) and the proposed gift can only be considered at one of those regularly scheduled meetings.
3. Prospect manager will prepare the Gift in kind Acceptance form for the donor's signature.
4. The receiving unit signs the Gift in kind Acceptance form acknowledging receipt of the gift.
5. The donor is responsible for obtaining and paying for an appraisal. This valuation is used for their tax filing purposes.
6. If available, the prospect manager should request a copy of the appraisal from the donor.
7. Prospect manager completes the Designation section of the Gift in kind Acceptance Form. The form should include all back-up documentation including appraisal, photos, description, receipts, invoice, and gift agreement as necessary.
8. Gifts and Records team records the gift and prepares a gift receipt for the donor.

9. Gifts valued in excess of \$5,000 require an independent appraisal before being credited to a campaign goal. In the event a donor declines to get an appraisal for the property, the gift will be recorded in the database at \$1.00; however, Caltech may choose to get an independent appraisal and record the gift at that value.
10. When the donor returns Form 8283, AIS completes section IV, and the Executive Director of Advancement Information Services signs the form.
11. All back-up and documentation of the gift are kept in the database.