

 <p>RHODE ISLAND COLLEGE</p> <p>OFFICIAL POLICY</p>	<p><i>Gifts to the College of Tangible and Real Property</i></p>	<p>EFFECTIVE DATE: 2015/07/13</p> <p>REVISION HISTORY: new policy</p>
<p>RESPONSIBLE OFFICE: College Advancement & External Relations</p>	<p>POLICY OWNER: Executive Director, RIC Foundation</p>	<p>SUPERSEDES: N/A</p>

PART 1. RATIONALE

Rhode Island College actively seeks private gifts of all kinds in order to support the mission of the college. Gifts of tangible property or real property may be used directly by the college, if appropriate, or may provide value through disposition. This policy and accompanying procedures are established to provide specificity and uniformity in the acceptance and disposition of tangible property within the limits of all applicable laws and policies.

PART 2. SCOPE

This policy applies to all gifts of tangible property and real property made to the college or to any of its component units by any private party. It does not apply to gifts of cash, negotiable instruments, intellectual property, matured bequests, the value of a person’s time while providing services to the college, or anything else that does not fit within the definition of tangible or real property.

PART 3. DEFINITIONS [AS USED IN THIS DOCUMENT]

custody	temporary possession and care of property belonging to another
donor contact	1. the individual representing the college who is contacted by a potential donor 2. the individual representing the college who solicits a donation from a potential benefactor
fair market value	the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts
gift	a contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution for which the institution has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies
IRS Form 8282	an IRS form that the Foundation is required to submit to both the Internal Revenue Service (IRS) and the donor if the donated tangible property is disposed of within three years of the date of the gift, and the donated property was valued on Form 8283 at more than \$5,000
IRS Form 8283	an IRS form that donors to the Foundation are required to attach to their tax returns whenever they donate tangible property valued at more than \$500. Special note: if the property is valued at more than \$5,000, the Foundation signature authority must sign the form and return it to the donor
real property	property that includes land, buildings, and anything affixed to the land and/or building that cannot be removed and taken elsewhere.

stewardship	in the context of this policy, stewardship of gifts of tangible property entails appropriate placement, storage, handling, record-keeping, and all other responsibilities associated with ownership
tangible property	property, other than real property, whose value is derived from its physical existence. Tangible personal property includes, but is not limited to, artwork, antiques, automobiles, boats, books, technology hardware, furnishings, appliances, office and other equipment, and personal items. A test to determine whether something is real property or tangible property is that tangible property can be moved without damaging any real property to which it may otherwise be attached.
operating unit of the college	any division, department, or office that exists as a distinct entity on the college's organizational chart and that is overseen by a director (including academic program directors), academic department chair, dean, assistant vice president, associate vice president, or vice president

PART 4. STATEMENT OF POLICY

- A. All private gifts of tangible property and real property to the college shall be under the jurisdiction of the Rhode Island College Foundation (“the Foundation”), which shall be responsible for the formal acceptance, recording, appropriate donor recognition, stewardship, and disposition (if any) of the gift.
- B. While all college units are encouraged to engage in development efforts, potential gifts of tangible property with a value greater than \$1,000 and all gifts of real property must be cleared in advance by the executive director of the Foundation. The executive director shall determine the suitability of the potential gift against the following restrictions or considerations, which normally would preclude acceptance:
 - 1. Gifts involving significant college expense, either directly or indirectly, for present or future use, display, maintenance, or administration. Examples of this include but are not limited to:
 - a. An obligation to continue a project after the gift has terminated or been exhausted
 - b. A gift that is contingent on the provision of matching funds
 - c. A gift to finance a construction project that is not otherwise part of the college's strategic/capital plan
 - d. The establishment of a permanent, interest-bearing fund when the gift amount is not sufficient to carry out its specified purpose
 - e. Gifts of tangible or real property that may be hazardous or dangerous to possess, maintain, or use
 - 2. Gifts where the donor has asked to be indemnified from liability arising in the course of the college's use of the property.
 - 3. Gifts of personal property (such as books and paintings) made on the condition that the items will be loaned back to the donor or persons designated by the donor.

4. Gifts to the college of personal property such as paintings, other works of art, furniture, or collections, if made on the condition or expectation that the items will be permanently exhibited, or that the collections will be maintained and shown as such.
 5. The gift is restricted and would support a purpose or program peripheral to existing principal purposes of the institution, or create or perpetuate programs or obligations that would dissipate resources or deflect energies from other programs or purposes.
 6. The gift would limit, or tend to limit, the academic freedom of the college.
 7. The gift has the potential to generate undesirable controversy, thereby risking harm to the reputation or standing of the college.
- C. All gifts of tangible and real property shall be used by the college or shall be sold by the Foundation¹. Proceeds from any sale shall be used for the benefit of the college.
1. Unless a different agreement is made by the Foundation, the donor, and the donor contact, any gift of tangible property obtained will be loaned to the operating unit of the college to which the donor contact is assigned. Similarly, if the gift is sold, the revenue from the sale will be restricted for use by the operating unit of the college to which the donor contact is assigned.
 2. In the event that a gift of tangible property cannot be used by the operating unit to which the donor contact is assigned, but could be used by a different unit, the Foundation will grant the unit of the donor contact a credit equivalent to the fair market value of the gift.
 3. The use or disposition of all gifts of real property shall be determined by the college, acting in concert with the Foundation.
- D. Determining the value of a gift of tangible or real property
1. It is the donor's responsibility for determining a value of the donated property for tax purposes.
 2. The Foundation will place an unofficial value on donated property for gift crediting purposes.
 - a. This unofficial value may not necessarily be the same value used by the donor for tax purposes.
 - b. The unofficial value is not to be included on the gift receipt to the donor.
 3. If the donor has had the property appraised by a qualified third-party appraiser, the Foundation will use the appraised value for gift crediting purposes.
 4. Property donated by a business will be valued at the cost to the college if it were to be purchased on the open market.
- E. Gift receipts
1. The Foundation shall issue a written gift receipt to each donor not more than one week after receipt of the gift.

¹ US tax law provides more favorable treatment -- for deductibility purposes of the donor -- of property that is put to use (or intended to be put to use) by the college for a purpose that corresponds with the mission of the institution.

2. Operating units of the college that benefit from the gift and/or the donor contact may send an acknowledgement or thank-you note to the donor, however, this note shall not indicate the estimated value of the gift. Only the Foundation may issue an official gift receipt indicating value.
3. Gift receipt language must include:
 - a. name and address of the Foundation
 - b. date and location of the contribution
 - c. a reasonably detailed description of the property
 - d. a statement indicating whether or not the donor received any goods or services from the Foundation or the college as a result of the contribution (other than token items)
 - i. If the donor has received goods or services from the Foundation or the college, the gift receipt must include a description of the goods or services and a good faith estimate of the value.

F. Obligations under the U.S. Tax Code

NOTE: tax law changes frequently. It is the responsibility of the Foundation to remain current with all requirements that pertain to the receipt of donated items. Tax laws that affect the donor are the responsibility of the donor; the Foundation is not qualified to offer tax advice. The requirements listed below pertain to the 2013 tax year.

1. The Foundation will report annually to the IRS using [Schedule M](#) and [Form 990](#).
2. The Foundation will inform donors of their obligation to file [IRS Form 8283](#), *Noncash Charitable Contributions* for donations valued at \$500 or more. The Foundation, as the recipient of record, must complete one section of the form.
3. For any donation of property with a value in excess of \$75 for which the donor will receive a partial benefit, the Foundation must provide the donor with a written statement indicating that the donor may deduct only the amount of the donation's value that is more than the value of whatever is provided to the donor in return. The statement must also provide a good faith estimate of the value of the goods or services provided in return.
4. If the value of the contributed property is \$5,000 or more, the donor is obligated to have an appraisal conducted by a certified appraiser who is in no way connected to the college or the Foundation. The Foundation is not permitted to set a value for property worth \$5,000 or more.
5. For charitable donations of motor vehicles, boats, or airplanes, additional reporting requirements may apply. See [Publication 4302](#), *A Charity's Guide to Vehicle Donations*, for more information. For such donations valued at \$500 or more, the Foundation is required to submit to the IRS [Form 1098-C](#), *Contributions of Motor Vehicles, Boats, and Airplanes*.
6. The Foundation is responsible for filing IRS Form 8282 for any gift of property valued at \$500 or more that is sold, exchanged, consumed, or otherwise disposed of by the Foundation within three years of the date of gift.

G. Custody of gifts of tangible or real property

1. The Foundation shall be the owner of record of all gifts of tangible or real property to the college.
 2. Assignment of gifts of property for use by any operating unit of the college shall be at the discretion of the college administration acting in concert with the Foundation.
 3. Any tangible property gifts assigned to a unit of the college shall be considered “on loan” for the duration of use; however, the receiving unit shall be the custodian of the property until such time as custody is transferred back to the Foundation.
 - a. Any costs associated with the use of gifts of tangible property will normally be borne by the unit of the college having custody.
- H. Disposition of gifts of tangible and real property
1. Unless prohibited by the deed of gift, the Foundation may dispose of the gift in any manner that best meets the needs of the college. It is noted, however, that the timing of disposition (i.e., in the year of donation, within three years of the date of gift, or beyond the three-year period) will affect the tax circumstances of the donor. Any special conditions relative to disposal of the property should be referenced in the deed of gift.
 2. For gifts valued at \$5,000 or more that are sold, exchanged, consumed, or otherwise disposed of within three years of the date of the gift, the Foundation must file [IRS Form 8282](#) (*Donee Information Return*) within 125 days after the date of disposition. The Foundation will send to the donor and to the college controller a copy of the completed 8282 form.
 3. Approval of the executive committee of the Foundation is required before an asset may be sold for less than appraised value or estimated fair market value.
- I. The value of gifts of tangible and real property shall be reported in the Foundation’s annual *Report of Gifts* on a separate ledger, but may also be included among other gifts for the purpose of identifying the giving levels of benefactors. While donors, at their request, retain the option of remaining anonymous, the gift value shall still be reported.
- J. The executive director of the Foundation shall be responsible for promulgation of any procedures, practices, or guidelines necessary to carry out this policy.

PART 5. PROCEDURES

- A. Upon offer of a gift of tangible or real property, the donor contact will notify the Foundation without delay.
- B. The Foundation, the donor contact, and the prospective college custodian (if applicable) will work together to complete the *RIC Due Diligence on Potential Gifts of Tangible or Real Property* form (“the form”) with as much information as is known.
- C. The executive director sends the form via email simultaneously to all parties listed on page 2 of the form.
- D. Once the contacted parties have provided all necessary information, the executive director will confer with appropriate college officials regarding acceptance.
- E. Acceptance or non-acceptance of gift

1. If accepted, the Foundation may seek documentation of ownership from the donor (if applicable).
 2. Once the Foundation is assured of donor ownership, it notifies the donor contact and the donor, provides all necessary documentation, and, if applicable, makes arrangement for delivery to the campus.
 3. If not accepted, the Foundation notifies the donor contact and the donor.
- F. Upon receipt or disposal of any gift of tangible or real property, the executive director of the Foundation shall notify the assistant vice president for finance for the purpose of inventory, potential insurance considerations, and capitalization.

PART 6. GUIDELINES

N/A

PART 7. RESPONSIBILITIES

Responsible Official	List of Responsibilities
see Parts 4 and 5 of this document for details	

PART 8. CONTACTS

Subject	Office or Position	Telephone Number	Email
Policy Clarification	Executive Director, Rhode Island College Foundation	(401) 456-8086	cgreene@ric.edu

PART 9. POLICY ENFORCEMENT

Violation(s)	any material violation of the provisions of Part 4 of this governance document
Potential consequences	possible consequences range from harm to donor relations and reputation of the college through tax and legal implications, including endangerment of the tax-exempt status of the Foundation
Where to report violations	executive director of the Rhode Island College Foundation

PART 10. FORMS/TEMPLATES/REFERENCE DOCUMENTS

SPECIAL NOTE: BECAUSE TAX LAW CHANGES FROM YEAR-TO-YEAR, BE SURE TO CONFIRM THAT ANY IRS PUBLICATION OR FORM IS THE PROPER ONE FOR THE CORRESPONDING TAX YEAR
<i>Due Diligence on Potential Gifts of Tangible or Real Property</i> (form)
Internal Revenue Service Schedule M , <i>Noncash Contributions</i>
Internal Revenue Service Publication 526 , <i>Charitable Contributions</i>

Internal Revenue Service Publication 561 , <i>Determining the Value of Donated Property</i>
Internal Revenue Service Form 990 , <i>Return of Organization Exempt from Income Tax</i>
Internal Revenue Service Form 990 , <i>Instructions</i>
Internal Revenue Service Form 1098-C , <i>Contributions of Motor Vehicles, Boats, and Airplanes</i>
Internal Revenue Service Form 1098-C , <i>Instructions</i>
Internal Revenue Service Form 8282 , <i>Donee Information Return</i>
Internal Revenue Service Form 8283 , <i>Noncash Charitable Contributions</i>
Template with language for gift receipt letter (<i>Development Office to provide</i>)