



Non-Monetary (In-Kind) Donation

Guide of Standards and Requirements

Definition

Gifts-in-kind are non-cash donations of materials or long-lived assets directly related to the mission of the College or readily convertible to cash to support the College's mission.

These gifts are voluntarily transferred by a donor to the Laurel Ridge Foundation without compensation.

Examples of tangible gifts-in-kind are equipment, materials, product inventory, artwork and other personal collections, items to be used for fundraising auctions, real estate, and vehicles.

Intangible or intellectual property includes such things as patents, trademarks, and copyrights.

Guiding Principles

1. To be accepted by the Laurel Ridge Foundation, the in-kind gift must further the mission of the College. It can either be something truly needed or something that can be sold, using the proceeds to further the mission of the institution.
2. The Laurel Ridge Foundation will accept gifts that are in good condition and reserves the right to sell non-monetary donations.
3. The Laurel Ridge Foundation has the right to refuse any gift that is either not needed or that would have limited return on investment once the cost of repairs or storage are calculated.
4. With limited exceptions, the donor may not place restrictions on the gift.
5. Unless an alternative agreement is reached prior to the acceptance of the gift, it is the responsibility of the donor to have the gift transported to the College.
6. If the Laurel Ridge Foundation is not able to sell or use the item within one year, the item will be released from inventory in the manner deemed most appropriate by the Laurel Ridge Foundation executive director. Options include a donation to a community action agency.

Deductible As Charitable Contributions

Donors are encouraged to seek professional tax advice for personal income tax questions and assistance. Specific IRS rules exist for contributions of vehicles, boats, and airplanes that may limit the donor's charitable deduction.

Laurel Ridge Community College and Laurel Ridge Foundation employees are not authorized to give a value on any property to the donor for tax purposes. College employees may provide a value to the Foundation for inclusion in the gift record only.

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In addition to inclusion on the donor's IRS Form 1040 when filing a tax return, total non-cash contributions valued at more than \$500 require the filing of IRS Form 8283 – Non-Cash Charitable Contributions.

- The donor may have to complete section A, Section B or both, depending on the type of property donated and the amount claimed as a deduction.
- Total non-cash contributions valued at more than \$5,000 require the donor to obtain a qualified written appraisal. The cost of the appraisal is the responsibility of the donor.

Laurel Ridge Foundation Reporting Requirements

The Laurel Ridge Foundation is required to provide an acknowledgement for non-cash gifts to include a description but not the value of the item(s).

Gifts valued in excess of \$5,000 – the donor may request that the Laurel Ridge Foundation complete the donee portion of IRS Form 8283 to confirm receipt of the non-cash gift.

Vehicles, boats, and airplanes – IRS Form 1098C must be completed by the Laurel Ridge Foundation and sent to the donor and the IRS. If the College disposes of a gift-in-kind within three years, it must file IRS Form 8282 with the IRS and send a copy of the form to the original donor.

Not Deductible As Charitable Contributions

The value of a person's or organization's time or service, appraisal fees, or partial interest in property is not allowable as a donation.

- Time and Service – The value of a person's or organization's volunteer time or service could include such things as consulting, accounting or legal work, and contractor or design services. This does not preclude volunteers from billing the institution for their work, receiving payment, and then making a cash donation to the University.
- Appraisal Fees – Appraisal fees related to establishing the value of the gift-in-kind donation are not allowable as a donation.
- Partial Interest In Property – If the donor maintains partial interest in or ownership of a property, the use of the property cannot be claimed as a donation. Use of a donor's property for a fundraising event, or free use of office space in a donor-owned building are examples where the donor maintains at least partial interest. If the donor relinquishes interest or ownership in a building or piece of real estate and donates it to the College, it would qualify as a donation.

Useful IRS Links

<http://www.irs.gov/uac/Form-8283,-Noncash-Charitable-Contributions>

Disclaimer

The information contained here is general in nature and is intended only as a guide. It is not intended to provide legal, tax, or financial advice.

Sources:

CASE Reporting Standards and Management Guidelines for Educational Fundraising, 4th Ed., 2009.
IRS.gov, Forms and Publications

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