

DEAN COLLEGE

DISCOVER THE DIFFERENCE

Gift Acceptance Policy

Introduction:

Dean College relies upon gifts from alumni, parents of students, friends, corporations, associations and foundations to meet a substantial portion of its operating costs. This document outlines policies on procurement, classification, management and use of gifts. Questions about methods of giving, assignment, acknowledgement, recording, restrictions on, or purpose of a gift should be directed to the Institutional Advancement Office.

Definition:

A gift is any item of value given to Dean College by a donor who expects nothing of value in return, other than recognition.

Designation of Gifts:

All gifts, regardless of value, form or designated use, should be made payable to, or title should be transferred in the name of Dean College.

Recording of Gifts:

All gifts of cash, securities, real estate and capital equipment are recorded at market value as of the date of the gift by the Institutional Advancement Office. Gifts of tangible personal property (other than capital equipment) are not recorded; however any sales proceeds will be recorded as a gift of an amount equal to the net proceeds of the sale.

Gift Classifications:

- **Cash and checks** (preferably made payable to Dean College)
- Noncash Gifts include
 - **Marketable property**, including gifts that are readily sold such as securities (e.g. stocks and bonds), real estate, and salable personal property.
 - **Gifts in kind**, which are gifts to be used in the form in which they are given, such as art objects, books, and equipment.
 - **Rights and insurance** are gifts that assign to Dean College the right to receive payments such as royalties or licensing fees, or that vest ownership in copyrights or trademark rights, and insurance policies that name Dean College as a beneficiary.

Valuation of Gifts:

In accordance with the Internal Revenue Code, Title 26, Subtitle B, Chapter 12, Subchapter B, Sec. 2512, if the gift is made in property, the value thereof at the date of the gift shall be considered the amount of the gift. Where property is transferred for less than an adequate and

full consideration in money or money's worth, then the amount by which the value of the property exceeded the value of the consideration shall be deemed a gift, and shall be included in computing the amount of the gifts made during the calendar year.

Donor Designation of Gift Use:

A gift may be designated by the donor as expendable (for immediate use for current purposes), or as an endowment (to be invested and held in perpetuity, with only the investment returns available to support Dean College). While donor intent is usually clear, certain types of gifts, such as bequests, may need additional research. Gifts will be recorded as expendable unless there is specific indication otherwise.

Absent stipulations of purpose from the donor, gifts will be recorded as unrestricted expendable funds to support Dean College purposes. If the donor designated a specific purpose for use of the gift (e.g. scholarships, a particular department) then the gift is considered to be restricted and Dean College is responsible for assuring that restrictions on use are honored.

Tax Considerations:

Tax laws governing charitable gifts are complex; Dean College encourages donors to seek professional advice on tax issues. The Internal Revenue Service has several requirements that relate to donor tax deductions for cash and non-cash gifts to charities:

- Receipts – It is Dean College's policy to issue receipts for all gifts. The IRS requires a receipt to substantiate most charitable contribution deductions. The donor should retain the receipt in his/her records; it need not be filed with the tax return.
- Deductibility – Gifts to Dean College are usually deductible at their full fair market value as of the date of the gift for both state and federal purposes. One important exception to this rule is that for gifts of tangible personal property that are intended to be resold by Dean College, the donor is entitled to an income tax deduction that is the lesser of the item's fair market value or the donor's cost basis.
- Noncash Gifts Over \$500 – If a donor wishes to claim an income tax deduction of \$500 or more in any year for gifts to charity which are not cash, then the donor must file IRS Form 8283.
- Noncash Gifts Over \$5,000 – In addition, if a donor wishes to claim charitable income tax deductions totaling \$5,000 or more in any tax year for gifts that are not cash or publicly traded securities, then the donor needs to obtain qualified appraisals of the property donated and Dean College must acknowledge receipt by signing the IRS Form 8283, which the donor then files with his or her federal income taxes. Dean College cannot provide or pay for an appraisal for a donor's tax purposes, nor will Dean College attempt to estimate the fair market value of any real or personal property gift.
- Gifts of Securities – A qualified appraisal and Dean College's acknowledgement of receipt on IRS Form 8283 are required for gifts of securities that are not publicly traded if their total value is more than \$10,000. Additional documentation is not required for gifts of publicly traded securities (regardless of their value).