

**SECTION 8: SPECIAL COMMODITY PROCEDURES**

**SUBJECT: GIFTS**

**PROCEDURE 8.26**

**POLICY:**The University of Washington Procurement Services intends to ensure that all gifts are properly identified and accepted if appropriate. The University occasionally receives items from suppliers that are properly characterized as “gifts.” Gifts include items that are donated separately from a product purchase, products not covered by a contract but included free of charge in a purchase, giveaways/contests/raffles, etc. Gifts do not include discounts off of list prices or catalog prices, valid samples, or inclusion of contract products with an order free of charge.<sup>1</sup>

Gifts offered by suppliers to UW Procurement Services will typically be “In-Kind Gifts” to the University, as defined by the UW Office of Advancement.<sup>2</sup> In-Kind Gifts include all supplier donations of products or services.

In-kind gifts are either accepted by the University of Washington Office of Advancement,<sup>3</sup> or accepted by the department and processed by the University of Washington Office of Advancement, depending on whether the in-kind gift will be used by the department receiving the gift.

**PROCEDURE:**

If a product (or service) is properly characterized as an in-kind gift, it may need to be referred to the University Office of Advancement. There are two types of in-kind gifts:

Related Use: The department receiving the gift can use the donated/gift item. Development officers and their respective units are responsible for acknowledging and processing related

Nonrelated Use: Nonrelated use gifts are equipment or property is intended for sale. These gifts are handled by the Office for Planned Giving and approved by the Vice President for Development and the Director of Gift Planning. Nonrelated use, in-kind gifts should be referred to the Director of Gift Planning.

Related use, in-kind gifts, will be referred to the departmental end-user for review and approval, and to the Gift Processing Office for processing and reporting, in accordance with the below guidelines. Nonrelated use, in-kind gifts will be referred to the Office of Planned Giving for review and approval.

The Office of Advancement has published the following guidance regarding the acceptance of related use, in-kind gifts:

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<sup>1</sup> Gifts may be received by the University in the form of a no-cost requisition. However, not all no-cost requisitions are gifts. If the item covered by the no-cost requisition will be used or evaluated by the University on a temporary basis and returned to the supplier, the item is a demonstration or loaned product. Demonstrations and loaned products are not gifts. Demonstration or loaned products should be handled in accordance with Policy #7.3.16.

<sup>2</sup> Available at: <http://depts.washington.edu/uwadv/central-resources/gproc/gift-processing-guidelines/> item “q. In-Kind Gifts”

<sup>3</sup> The Office of Advancement contains both the Office of Planned Giving and the Gift Processing Office

- A. **Acceptance**—Donations of tangible personal property or equipment should be carefully evaluated by the unit’s development officer and director or dean prior to acceptance. Considerations include:  
 The gift should be desirable to the unit.  
 The gift should not result in unanticipated expense or liability.
- B. **Acceptance vs. Deductibility**—The University issues receipts for tax purposes for gifts of tangible personal property noting “value unassigned”. The donor should be instructed to consult a tax advisor about the steps the donor needs to take to substantiate the deduction.
- C. **Processing In-Kind Gifts**—Donations of tangible personal property or equipment should be reported on the Gift Transmittal and sent with the appropriate documentation to Gift Processing. In-kind gifts should be reported regardless of whether or not a value can be assigned. Where values are unavailable, the box for “value unassigned” should be checked on the Gift Transmittal form. In order to assign a value for an in-kind gift, Gift Processing requires the following documentation:

	<b>Gifts From Individuals</b>	<b>Gifts From Corporations</b>
<b>Gifts Under \$5,000</b>	Independent appraisal, or UW staff member appraisal.	Independent appraisal, or Appraisal from the corporation, or UW staff member appraisal.
<b>New Gifts Over \$5,000</b>	Independent appraisal.	Recent bill of sale, or Appraisal from the corporation, or Independent appraisal.
<b>Used Gifts Over \$5,000</b>	Independent appraisal.	Independent appraisal

- D. **Independent Appraisals**—The University cannot provide an independent appraisal of in-kind gifts, because it is a party to the transaction. If an independent appraisal is needed, it is the responsibility of the donor. The donor should be informed that the cost of an independent appraisal is tax deductible. A designation of “value unassigned” does not prevent the donor from having an appraisal made subsequently and using it in tax filings. The appraisal should contain the following information:  
 Name, address, and qualifications of the appraiser.  
 Date of appraisal.  
 Description of property appraised.  
 Method of valuation.  
 Facts and analysis used in determining value.
- E. **Acknowledgment**—Letters of acknowledgment should be prepared by the receiving unit. The letter should be clear that the amount credited to the donor is distinct from a receipt for tax purposes.

- F. **IRS Form 8283**—In some instances, the donor may request the receiving department to sign IRS Form 8283, “Noncash Charitable Contributions.” When this occurs, the department head should sign the form in the “Donee Acknowledgment” area, which acknowledges receipt by a charitable organization. A copy of the form should be sent to the Office of Financial Management.
  
- G. **Inventory of Equipment**—To add the donated equipment to the receiving department’s inventory list, the department must tag the equipment and complete an Equipment Inventory Card to be forwarded to the Equipment Inventory Office (see [Administrative Policy Statement 61.2.](#))