

## DONATED EQUIPMENT AND GIFTS GUIDELINES

**Definition:** A donation/gift/gift-in-kind is the receipt of something of value, such as money or other economic assets, by the University from a donor who provides support for University programs. There is no economic benefit provided by the University in return. An individual, a corporation, or a nonprofit entity may be the donor of a gift. A gift may be given to the University directly, or it may be given to the PSU Foundation to be used by the University.

Gift-in-kind (GIK): Refers to tangible items, not cash gifts/donations. Meaning, instead of giving money to buy needed goods and services, the goods and services themselves are given.

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**Ownership:** A specific department or area may be the recipient of a gift, or it may be deemed available for general use.

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**Restrictions:** A gift may be restricted or unrestricted. A gift is considered restricted if it is available for operations but limited by the donor to specific purposes, programs, or departments. It is considered unrestricted if the donor does not specify how it is to be used.

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**Acceptance:** It is the responsibility of the university representative accepting the gift to discuss the university's policies related to gifts-in-kind prior to accepting a gift. It is important that the representative, department, program, or office consider the value of the gift to the university.

Please consider the following before accepting a gift:

1. Is it relevant to the work of the university? As a general rule, accept only gifts that further the work of departments and programs at the university.
2. Will accepting the gift jeopardize the reputation of the donor or the university? Does the donor's intent match the interests of the university?
3. Will the gift cost the university money in the future, such as maintenance, repair, or preservation costs?
4. Are there any risks associated with accepting the gift?
5. Will the gift require a special facility in which to house it?
6. Are there any special conditions the donor may impose?
7. If the property cannot be used in university programs, will the donor allow it to be sold? If the donor places a condition on the gift that it is not to be sold, the university should not accept the gift.
8. Will the gift require a loan agreement with the PSU Foundation? That is, will the foundation own the property and then loan it to the university for specific use?

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**Fair Market Value (FMV):** Refers to the value placed on the property gift for university gift crediting and property control purposes. GIK are recorded at FMV. The methodology used for determining fair value should be documented. Fair market value may be determined by:

- A written appraisal by an independent, qualified appraiser.
- Documentation obtained from a qualified expert on the faculty or staff if he or she is considered to hold special knowledge or expertise related to the property being donated, or
- Documentation obtained from a qualified outside source such as 'blue book' or a knowledgeable dealer, or
- Identifying what it would cost the university if it were to purchase the gift outright from a vendor or an original bill of sale for new equipment.

Documentation that supports the gift's value should be submitted at the time the gift is to be booked by the receiving organization. University departments are encouraged to pay for appraisals if they deem it necessary and appropriate for proper insurance and inventory.

**Please note that the university should never pay for an appraisal for a donor.** The University never certifies the value of the gift to the donor.

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**Property Control:** It is the responsibility of the department accepting the gift to ensure that tangible property is entered into the university's fixed asset inventory and tagged appropriately. This is true for property accepted by the PSU Foundation and by departments and programs within Portland State University.

The following should be considered for inventory:

- Gift value is greater than \$2,500.
  - Gift is considered 'high-risk' equipment. Please refer to 'High-Risk Minor Equipment Guidelines' available on the web at [www.pdx.edu/bao](http://www.pdx.edu/bao) under forms/policies.
  - Gift must be listed for insurance purposes regardless of FMV. (*Such items are considered 'non-inventoried' equipment, but are listed for insurance purposes.*)
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**Procedure:** The following procedures should be followed when a department, college, or program representative intends to accept a GIK.

1. Determine the purpose of the gift.
2. Determine the value of the gift.
3. Complete the *Report of Gift* form located on the Business Affairs website or obtain a copy from Property Control.
4. Gather the university signatures required on the form and forward completed document to the Business Affairs Office.

Responsible Party      Action

Department	<ol style="list-style-type: none"><li>1. Receive equipment and letter of acknowledgement (gift letter) from donor.</li><li>2. Submit acknowledgement letter and <i>Report of Gift</i> form to BAO.</li><li>3. Submit photocopies of ALL documentation (gift letter, appraisal, <i>Report of Gift</i> form, etc.) to Property Control if value exceeds \$2,500.</li></ol>
Property Control	<ol style="list-style-type: none"><li>4. Create asset record in FIS Banner and send asset tag to department.</li></ol>