

Vermont College of Fine Arts Gift In Kind Acceptance Policy

Gifts-in-kind are non-monetary items of tangible personal property such as art, collectibles, books, equipment, automobiles, inventory, and other personal assets or materials that represent value to the VCFA. We welcome many gifts-in-kind and are most grateful when donors think of us with this form of philanthropy.

Gifts-in-kind generally fall into two categories.

- The first category consists of tangible assets. This includes such items as materials, equipment, software, printed materials, long lived assets, food or other items used for hosting dinners. These tangible assets are potentially tax deductible to the donor and can be counted in the college's fundraising totals.
- The second category of gifts-in-kind consists of non-tangible assets. Unreimbursed expenses such as food, professional services, and limited use of private property are not considered tax-deductible, charitable gifts-in-kind by the Internal Revenue Service. We might receive such gifts, but the donor will not receive a receipt for the gift-in-kind from the VCFA.

Gifts-in-kind can also present the college with issues of liability and unanticipated budget issues. Therefore, it is appropriate that there be set guidelines for the acceptance of gifts-in-kind and that both donors and VCFA personnel understand the necessary procedures and approvals before a gift-in-kind is officially.

Acceptance of Gifts-in-Kind by the VCFA

When offered a gift-in-kind, the VCFA may choose either to use or sell the gift-in-kind property or to decline the gift. When evaluating the acceptance of gift-in-kind, VCFA personnel will consider if the gift is needed, wanted, and/or has use within the institution or if it can be sold to benefit the VCFA. Consideration will be given to the cost of accepting the gift (e.g., shipping and handling costs, installation charges, licensing fees, etc.), the long-term viability of the gift (e.g., maintenance costs, associated personnel needs, storage fees, insurance rates, copyright issues, etc.), and the resale market if the gift is to be sold. Some gifts, of course, will require paperwork documenting ownership (e.g., a signed title for a car or boat).

In light of these issues and responsibilities then, the ultimate acceptance of a gift must fall not to an individual faculty or staff member. Therefore, only the Executive Director of Institutional Advancement, in coordination with the CFO may accept a gift-in-kind donation.

Instructions for Completing a Gift-in-Kind

Specific instructions are in place for a gift-in-kind to be completed and thus for a donor to receive an income tax deduction:

Donations of Gifts-in-Kind valued from \$1.00 to \$499.99 – The donor must complete his/her portion of VCFA's Gift-in-Kind Donation Form. The Executive Director of Institutional Advancement must complete

the college's portion of the form. It is important to designate the account name for which the gift is to be credited. The completed form should then be sent to the VCFA's CFO for approval and signature.

Donations of Gifts-in-Kind valued from \$500.00 to \$4,999.99 – In addition to the above instructions, the Director of Institutional Advancement must inform the donor that an IRS Form 8283 must be filed with his/her tax return to claim the deduction and that the donor should advise his/her tax consultant.

Donations of Gifts-in-Kind valued from \$5,000 and above – In addition to the above instructions, the Executive Director of Institutional Advancement must forward the s Gift-in-Kind Donation Form on to the college's CFO for approval and signature. The donor will then be informed that an IRS Form 8283 is required by the IRS **and the VCFA**. The donor will then need to have an independent appraiser sign the IRS Form 8283 and return it to the VCFA for acknowledgment and receipting. For gifts of this value, the donor should seek the advice of his/her tax consultant.

The college will determine whether to hold ownership for disposal or for future considerations after the Gift Acceptance Form has been completed and gift in kind has been added to the VCFA's inventory.

If the CFO does not accept the gift, the donor should be notified by the Executive Director of Institutional Advancement and given a reason why the gift cannot be accepted.

Income Tax Charitable Deductions Available for a Gift-n-Kind

The donor may claim a charitable deduction for the full market value of gift-in-kind if VCFA if the gift is accepted for the colleges exempt purposes. If a gift-in-kind will not be used for the VCFA exempt purposes, a deduction can only be claimed for the property's cost basis (usually the original amount paid by the donor for the property).

The Vermont College of Fine Arts does not give legal or tax advice. If a donor has questions regarding the charitable deduction amount, the donor should be instructed to consult with his/her own tax advisor.

**Vermont College of Fine Arts
Gift In Kind Acceptance Form**

Donor Name	
Contact Name (if different than donor)	
Address	
City, State, Zip	
Daytime phone	
Gift Description	
Estimated fair market value (by donor):	\$
Special instructions (e.g., item delivery or pick up, restrictions, etc.):	
Please return this form to:	Office of Institutional Advancement Vermont College of Fine 36 College Street Montpelier, VT 05602
VCFA Contact Information Phone:	Mary L. Welz Executive Director of Institutional Advancement 802-828-8555 Mary.Welz@vermontcollege.edu
For internal use only:	
Approved by CFO:	
Signature	Account #

This form does not serve as a receipt for this contribution, but is intended for our internal record keeping purposes only. A receipt describing the items or merchandise donated will be mailed to the address supplied above. The Vermont College of Fine Arts is unable to include the estimated value on the donor receipt. It is the responsibility of the donor to substantiate the fair market value for his/her own tax

purposes. The donation of services, although very valuable and much appreciated, is generally not considered