

Date Updated and Published: February 2021**Revision History:****Review: Annually****Last Date Reviewed:** February 2021

OBJECTIVE

To provide business standards for continuity in entry, reporting and documentation of all in-kind gifts of products, time or services in accordance with federal law and Bethel University Fiscal Policies.

DEFINITION OF IN-KIND GIFTS

Gifts in kind, also referred to as in-kind donations, is a kind of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given. Gifts in kind are distinguished from gifts of cash or stock.

RECEIPTING OF IN-KIND GIFTS EXPLANATION

Per IRS Charitable Contributions-Substantiation and Disclosure Requirements, Publication 1771 (Rev. 3-2016): non-profit organizations cannot provide a donor with the dollar value of a “non-cash contribution” (i.e. an in-kind gift). Such valuations when applicable need to be professionally assessed and certified elsewhere at the responsibility of the donor. This certification subsequently needs to be resolved with the professionals and others who prepare the donor’s tax forms—whose work in turn will need to be reconciled with IRS regulations. In instances where time and service are donated, no tax break whatsoever is allowed, per the IRS Publication 526 which states, “You cannot deduct the value of your time or services.”

ACKNOWLEDGMENTS OF IN-KIND GIFTS

All members of the Bethel University organization must contact the Office of Development prior to the receipt of any In-Kind Gift when a charitable tax receipt is requested or expected by the donor. Upon verification of the donor’s intent and available appropriate use of the in-kind gift at Bethel University, the Office of Development will send a written acknowledgment to the donor. The

acknowledgement will be mailed no later than January 31 of the year following receipt of the donation, or if requested by the donor, within five business days after completion of the IN-KIND DONATION FORM. This form can be obtained from the Bethel University donor services department.

Written acknowledgment must be created and delivered through the Office of Development and will include a description (but not the value) of the non-cash contribution to Bethel University.

RESPONSIBLE PARTIES

The Vice President, Office of Development will be responsible for review and enforcement of the policy with input from the President, CFO and additional department leads as needed.

PUBLICATION

This policy will be emailed to all employees annually and will be published to the University's internal website once approved.