

# Property Control System Manual (PCS)

## PCS 206: Acceptance of Property, Gifts, and Donations to the University

Effective: 3/1/1965

Revised: 3/1/2021

### Purpose

To comply with federal tax regulations regarding noncash donations, and to properly acquire and record gifts and donations to the university

### Sources

Internal Revenue Service

ASU Foundation

### Policy

Any gift or donation acquired by or given to the university must be reported to the ASU Foundation for the purposes of complying with applicable tax laws regarding noncash contributions, acknowledging the gift, and issuing an official gift receipt.

### Prohibited Gifts and Gratuities

University employees shall not accept or solicit, directly or indirectly, anything of economic value as a gift, gratuity, favor, entertainment, or loan that is or may appear to be designed to influence official conduct in any manner, particularly from a person who is seeking to obtain contractual or other business or financial arrangements with the university (e.g., a vendor who has interests that might be affected substantially by the performance or nonperformance of the employee's duty).

Such persons include both present and potential suppliers and contractors to the university and agents working on behalf of suppliers and contractors (see the *Purchasing and Business Services Policies and Procedures Manual—[PUR 104](#), "Gifts and Gratuities"*).

### Valuation Review

#### Independent Valuations:

Independent valuations are not required to accept gifts in kind, however, for gifts in kind (GIKS) over \$5,000 independent valuations are required in order to receive tax credit for donors.

In order for a valuation to be considered independent, the party that provides the valuation, review, or appraisal must not be related to the donor, ASU, ASUF, or any ASU financially related organization. The ASU Foundation primarily relies on donor supplied information for valuation and will neither furnish nor confirm an appraisal to the donor, however, based on indication of value, ASU could choose to seek an independent valuation if it appears warranted.

#### Internal Valuations:

For GIKs with a value of \$5,000 or more where no independent valuation is provided, the receiving department should, if possible, provide an internal valuation to be used for recording purposes. Internal valuation review methods include, but are not limited to, the following:

1. the net value of the equipment as stated by the donor (for new equipment)
  2. a quotation obtained by Purchasing and Business Services (for donated equipment commonly sold through wholesalers)
  3. an estimate by the director of Purchasing and Business Services based upon comparable items
- and
4. an estimate of knowledgeable persons employed by the university.

Internal valuations should be reviewed and approved by the head of the department receiving the donation before submitting. Internal valuations are not valid for tax credit purposes.

**Recording Gifts in Kind**

The Foundation will provide to Capital Asset Management (CAM) copies of all gift in kind documentation received which CAM will use to record gifts in Workday. GIKs are determined by CAM to be either capital or non-capital and are recorded at these amounts:

Gifts with an independent valuation	Recorded as stated by the valuation
Gifts with an internal valuation	Recorded as stated by the valuation
Gifts of \$5,000 or less with no valuation	Recorded as stated by the donor
\$5,001 or more with no valuation	Recorded at \$1

**Capital Gifts in Kind:**

In the event an 8283 tax form is issued to the donor, capital gifts will be tagged with a yellow property control tag (as appropriate) and tracked for inventory purposes. In the absence of any valuation, if it is deemed that a donation is likely worth \$5,000 or more on a per unit basis, and would normally be capitalized, the donation will be recorded at \$1 and tracked for inventory purposes. Based on indication of value an internal valuation may be requested from the department if it appears warranted. Gifts that will be added to a library collection will be capitalized regardless of value.

**Real Property**

The university may accept gifts of [real property](#), provided that it will have full use and control of the property. Gifts and grants for the construction of capital projects must have prior approval from the Arizona Board of Regents (ABOR). Estimated annual operating costs of the facility must be submitted to ABOR for approval before accepting the gift. Submission to ABOR must be coordinated with the vice president for finance and deputy treasurer or designee.

**Exception**

Gifts and grants for routine repair or alterations.

**Cross-Reference**

For the university policy on gifts to university employees, see the *Purchasing and Business Services Policies and Procedures Manual*—[PUR 203](#), “Gifts and Gratuities.”

For information on coordination between the Office for Research and Sponsored Projects Administration and the ASU Foundation concerning gifts, see the *Research and Sponsored Projects Policies and Procedures Manual—RSP 601*, “Coordination of Proposal Submissions to Foundation Sponsors by ORSPA and the ASU Foundation.”