

Procedure for the Request and Acceptance of Gifts-in-Kind

Effective: July 23, 2021

The Universidad del Sagrado Corazón is supported by the generosity of benefactors through different types of donations that are aligned to our mission, vision, institutional priorities, and academic needs. This Procedure establishes the definition of and guidelines for gifts-in-kind, including their request, acceptance, use, and reporting. Its content is consonant with the Policy for the Request and Acceptance of Donations and Sponsorships.

A. Definition(s)

Gift-in-kind: A non-monetary gift, commonly identified as “gift-in-kind”, is a voluntary contribution of assets other than cash that can be used to advance the mission and vision of the Universidad del Sagrado Corazón (Sagrado) or can be readily converted to cash and may qualify as a charitable deduction for the person(s) making the gift. Examples include:

- Negotiable instruments other than cash
- Equipment
- Laboratory supplies
- Catering
- Jewelry
- Special collections
- Coins/Stamps/Books
- Office supplies
- Vehicles
- Gift cards

B. General Requirements

The University may accept in-kind gifts to the extent it has a related use by the University or an understanding that the assets may be liquidated for cash. The Office of Development and University Relations acts on behalf of the University to facilitate the acceptance and acknowledgment of such in-kind gifts.

Gifts In-Kind will not be accepted if they:

1. Violate the terms of the Policy for the Request and Acceptance of Donations and Sponsorships
2. Violate federal, state, or other law
3. Violate other contractual agreements
4. Are too difficult or costly to manage
5. Were acquired by non-legal means, or if the asset to be donated is not transferred directly from the donor to the University

6. Are too restrictive in their purpose or compromise the academic freedom of the University community
7. Would create unacceptable responsibility on the part of the University or cause the University to incur in unforeseen or anticipated future significant expenses.
8. Are intended for purposes that do not advance the mission and vision of the University.
9. Cause a conflict of interest to the University.
10. Would damage the University's reputation or are contrary to the institution's values.
11. Would jeopardize the University's tax exemption status; or
12. Provide a donor with goods or services of financial value in exchange for the donation, unless such value is disclosed in its entirety in the manner required by federal and state law and regulations.

C. Process for the Request of In-Kind Donations

1. Any request for an In-Kind donation for initiatives or projects of the administration, faculty or student bodies must be pre-approved by the Office of Development and University Relations (DUR) following the process stated herein.
2. All requests for In-Kind donations related to any of the academic areas must be discussed and approved, in first instance, by the director of the academic unit following the process established by the Executive Vice Presidency of Academic Affairs or his/her designee. If it is an initiative of the student body, consultation will be made, first, and approved by the Vice President and Dean of Student Affairs or his/her designee. Once this first approval is met, the approval of the DUR is required.
3. The interest in initiating conversations or procedures to request in-kind donations must be consulted with the unit director or area supervisor. This person will submit the formal request to the DUR.

The request must include:

- a) Donations and Sponsorships Authorization Form requesting authorization.
 - b) Letter of intent or proposal to be sent to the prospective donor indicating the In-Kind donation to be requested.
 - c) List of companies or individuals you are interested in addressing with their contact information.
4. Once authorized by the DUR, it will proceed according to the parameters established in the authorization.
 5. The DUR will evaluate requests for authorization to receive In-Kind donations considering, primarily, the following criteria:
 - a) Advancement of the University's mission and vision
 - b) Whether it strengthens the academic project

- c) If it commits University funds
 - d) Impact on other fundraising efforts
6. After a letter or proposal for an In-Kind donation has received initial authorization from the DUR, the applicant/proponent will proceed to send it to the authorized donor prospects or sponsors.

D. Acceptance of In-Kind Donations

Gifts In-Kind of an estimated value of \$499 or less

1. The University departments are responsible for accepting gifts-in-kind of a value equal or less than \$499. It is, therefore, important that the representative, department, program, or office consider the value of the gift to the University at the date of the donation. If additional costs will be necessary to be incurred and are not normally part of the department's operating budget, the person receiving the gift should consult with his or her supervisor, department head, academic director, or vice president in advance of accepting the gift.
2. The vice president of the department or unit receiving the gift-in-kind or his/her designated representative must sign the Form of Intent and Acceptance of Gift-in-Kind for Donations of \$499 or less in Value confirming to the Office for Development and University Relations (DUR) that all listed/attached donations have been approved following established procedure and received.
3. This Form must be submitted to the DUR during the first seven (7) calendar days of the following the month the donation/s was/were received. The use, need of, and, if applicable, identified funds needed to maintain the property should be clearly documented and approved by the vice president signing the form.

Gifts In-Kind of an estimated value of more than \$500

1. The acceptance of all gifts-in-kind of a value greater than \$500, must be approved by the Vice-president for Development and University Relations in consultation with academic units' directors, the Vice President for Finance and Operations, and the President, if required. If applicable, Legal General Counsel may be asked to provide approvals as well. These approvals will be coordinated by the proponent and submitted to the Office of Development and University Relations.
2. The donor should be encouraged to complete the *In-Kind Gift Intent Form*. If the donor is unable or unwilling to complete the form, the university staff receiving the gift may complete the form. In this instance the receiver must write "N/A" as the gift value and note that the form was completed by him/her beneath the donor signature line. The individual accepting the gift cannot offer tax advice or dictate the value of the contribution.
3. If the item is personal property of the donor and is valued at more than \$5,000, the

donor must obtain a certified appraisal. The appraisal cannot be dated more than 60 days from the date of the donation. It must be prepared, signed, and dated by a qualified appraiser. Federal law requires that the donor pay for the appraisal. (The cost of the appraisal is also tax deductible). This value will be used for gift reporting purposes only.

4. Once the donor has completed the form, the Sagrado staff must complete the Non-Monetary Gift Acceptance form and route it for all required signatures in the order they are listed.
5. To finalize the donation, the completed In-Kind Gift Intent form with all supporting documentation must be submitted to Office of Development and University Relations who will send a formal letter of acceptance from the University to the donor and send copies to the receiving department.
6. The Office of Development and University Relations shall forward the documents mentioned above to the Office of Finance and Operations for proper recording of the gifts-in-kind in the University's accounting records.
7. For gifts less than \$5,000 in value, the donor must provide the following documentation:
 - a) Indication of ownership
 - b) Intent to donate
 - c) Estimate of value – value for personal items should be the estimated resale value at its current condition (i.e.: thrift store value)

Such documentation is not required if the gift is accompanied by receipts, invoices, or value is readily established (i.e. gift cards). Gifts that cannot be valued may be accepted but will be booked at the nominal value of \$1.00.

8. The Office of Development and University Relations must encourage donors to seek tax guidance regarding their donation's reporting requirement for tax deductions to be claimed accordance to applicable laws and regulations.
9. The Office of Development and University Relations will maintain a record of all In-Kind donations received.

E. Special Types of Gift-In-Kind Contributions

1. Donations for the Mother Maria Teresa Guevara Library - The library will accept donations and gifts of all printed and non-printed bibliographic material that is relevant to the academic offering and that contributes to the Institutional mission and vision. Among the accepted materials are books, art collections, audiovisual resources, archival materials – these items include unpublished and unique papers and records, including but not limited to images, legal papers, recordings, maps, photographs, correspondence, personal diary, letters, scrapbooks,

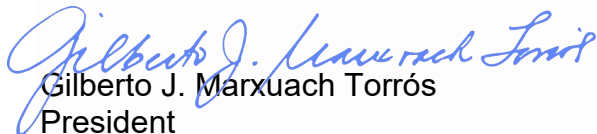
proprietary documents, financial records, artifacts related to the collection, and electronic/digital media.

All these donations or gifts will be handled, evaluated, and considered by the Administration of the Library. The library reserves the right to discard or not accept donations of resources that are not relevant to the academic programs, the institutional mission and vision, or if its physical condition is not optimal.

2. Gift cards and Gift Certificates - Gift cards and gift certificates received and accepted through the Gift-in-kind process must follow the same procedure for safekeeping, record keeping, and reconciliation required by DUR. Inventory of unused gift cards and gift certificates will be maintained by DUR.
3. Gifts-in-kind utilized for Silent Auctions and other fundraising events
 - a) All items to be utilized for a Silent Auction or fundraising event must be recommended and approved for acceptance by DUR.
 - b) DUR must have formally accepted the items with a completed gift acceptance form prior to the initiation of the fundraising event.
 - c) At the event/auction, each bid sheet/program and signage must provide the total fair market value of the items.

F. Inquiries on this Procedure

Consultations on the scope and interpretation of this Procedure should be addressed to the Office of Development and University Relations at 787.728.1515, ext. 1252 or 1207 or via email at desarrollo@sagrado.edu


Gilberto J. Marxuach Torrós
President

SAGRADO

Universidad del Sagrado Corazón

DESARROLLO Y RELACIONES UNIVERSITARIAS

In-Kind Gift Donation Intent Form (Non-Monetary)

Gift Intention of:

Donor: _____

Address: _____

City: _____ State: _____ Zip: _____

Gift Description:

(Please specify items to be donated)

Gift Designation:

Department: _____ Contact: _____

Gift Value:

The fair market value of my gift to Universidad del Sagrado Corazón is: _____

Note: Gift values may be verified by receipts, documents, or any independent appraisal. Gifts exceeding \$5,000 require a qualified third-party appraisal.

Donor's Signature

Date

Please submit this form by email at: desarrollo@sagrado.edu

For questions please call the Office of Development and University Relations at (787) 728-1515 ext.1207.

For more information regarding In-Kind donations, please refer to the University's ***Policy for the Request and Acceptance of Gifts-In-Kind.***