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# Property Control System Manual (PCS)

Effective: 3/1/1965

Revised: 3/1/2010



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

### 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
- Property Control
- 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

An independent valuation review must be furnished to the ASU Foundation for donated equipment having an estimated fair market value of \$5,000 or more. Independent means that the party that provides the valuation, review, or appraisal must not be related to the donor, ASU, or any ASU financially related organization. The ASU Foundation neither furnishes nor confirms an appraisal to the donor. Until the estimated fair market value of \$5,000 or more is independently confirmed, the development officer or the area receiving the gift in kind will not receive gift credit for fund-raising goals.

Donated equipment is recorded at fair market value at the date of the gift. In the absence of significant indications to the contrary, estimated fair market value is as stated by the donor.

Valuation methods are on a case-by-case basis depending upon the estimated fair market value and whether an independent appraisal is readily available. 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 (for art objects and rare books).

All equipment contributions with a unit cost of \$5,000 or more must have written indication that an independent valuation review has been obtained and accepted by the ASUF president, the executive vice president, treasurer, and chief financial officer (CFO), or the vice president for finance and deputy treasurer or designee. A photocopy of the independent valuation will be furnished to ASU Property Control and the ASUF director of gift processing.

### 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.

## Procedures

### Property Donated to ASU as a Gift-in-Kind

The ASU Foundation processes all gifts to ASU, whether paid in cash, in securities, or in-kind as tangible or intangible items (gifts-in-kind). Services provided include recording the gift in the donor system, acknowledging receipt of the gift, issuing an official gift receipt, and preparing the recipient-required tax forms.

Generally, gifts-in-kind are placed into service at ASU. These gifts are made directly to ASU, and often, the donor requires "acceptance" by the recipient via a specific donor form. These forms usually contain terms and provisions that can be accepted only by the office of Purchasing and Business Services. Therefore, when you receive knowledge of a donor wishing to make a contribution of real property (real estate), personal property, or intangible property, please perform the following steps to ensure a smooth, efficient process:

1. Gather information about the item from the donor. Required details include:
    - a. a description of the item
    - b. manufacturer, make, model number, and model year
    - c. donor's estimated value
    - d. whether the item has been used with hazardous materials and
    - e. any other details that will assist with the decision to accept or reject the donation.
  2. Review the [ASU Foundation Gift Acceptance Policy](#). Identify any unusual circumstances or other factors that may require involvement of senior university or Foundation decision-makers.
  3. Contact the ASU Foundation Office of Corporate Relations (OCR) with the details from item 1. Include in the contact your recommendation as to whether the donation should be accepted or rejected. Factors to consider include the utility of the item within the academic program or the university's mission, costs to transport and set up the item, ongoing operating and/or storage costs, and any risks linked to accepting or operating the item.
- Note: Both ASU and ASU Foundation require written approval from the dean or center director confirming that they are willing to accept the gift-in-kind.
4. Collaborate with OCR and ASU Financial Services to establish the university's gift value.
  5. Begin completing the [Gift-in-Kind and Contributed Services Approval form](#).
  6. Obtain the donor's acceptance forms, if any. Review the terms to make sure your unit agrees with them. The terms typically include use of the item, a minimum number of years to hold the item, and other constraints.
  7. Share all of the forms and your unit's acceptance or rejection of each provision with OCR.
  8. OCR will submit the donor-required forms to Purchasing and business Services for signature.
  9. Once the item is received by your unit—finalize the first and second pages of the ASU/ASUF Gift-in-Kind form if it hasn't already been completed. Send the original to Gift Processing (mail code 5005) and a copy to the Property Control Office.

### Property Donated to ASU Foundation as a Gift-in-Kind

Often, gifts in kind are accepted to be sold in silent auctions, for use as event door prizes, or for other fundraising purposes. These gifts are made directly to the ASU Foundation. Therefore, when you receive knowledge of a donor wishing to make a gift in kind under these circumstances, please perform the following steps to ensure a smooth, efficient process:

1. Gather information about the item from the donor. Required details include:
  - a. a description of the item
  - b. manufacturer, make, model number, and model year
  - c. donor's estimated value
  - d. whether the item has been used with hazardous materials and
  - e. any other details that will assist with the decision to accept or reject the donation.
2. Review the [ASU Foundation Gift Acceptance Policy](#). Identify any unusual circumstances or other factors that may require involvement of senior university or Foundation decision-makers.
3. Contact the ASU Foundation Gift Processing with the details from item 1. Include in the contact your recommendation as to whether the donation should be accepted or rejected.
4. Collaborate with Gift Processing and ASU Foundation Finance to establish the Foundation's gift value.
5. Begin completing the [Gift-in-Kind and Contributed Services Approval form](#).
6. Obtain the donor's acceptance forms, if any. Review the terms to make sure your unit agrees with them. The terms typically include use of the item, a minimum number of years to hold the item, and other constraints.
7. Share all of the forms and your unit's acceptance or rejection of each provision with Gift Processing.
8. Gift Processing will submit the donor-required forms to ASU Foundation's senior vice president CFO and treasurer, who will accept the gift on behalf of the ASU Foundation.
9. Once the item is received by your unit—finalize the first and second pages of the ASU/ASUF Gift-in-Kind form if it hasn't already been completed. Send the original to Gift Processing (mail code 5005).

## Cross-References

For the university policy on gifts to university employees, see the *Purchasing and Business Services Policies and Procedures Manual*—[PUR 104](#), "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."

