

UC Davis Policy and Procedure Manual

Chapter 260, Gifts and Endowments Section 25, Gift Processing and Receipting

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Responsible Department: Development & Alumni Relations

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I. Purpose

This section describes the policy and procedures for processing and receipting gifts made to UC Davis through the UC Davis Foundation or the Regents of the University of California.

II. Definitions

- A. Department/department head—the unit or head of the unit benefitting from the gift.
- B. Gift-in-kind—gift of personal or business property (excluding securities or real property) reported at fair market value as determined by a qualified appraiser or other reliable market indicator.
- C. Pledge—gift to be paid in installments over a period of no more than 5 years.
- D. Securities—stocks, bonds, insurance policies, or promissory notes.
- E. Quid pro quo—tangible or intangible good or services having a determinable fair market value and provided to a donor in a transaction involving the donor's charitable contribution.

III. Policy

- A. Before processing any gift, the vice chancellor, vice provost, dean, or designee must accept the gift on behalf of the department, subject to official University acceptance by Development & Alumni Relations (see [Section 260-15](#)).
- B. Gifts must be processed via the gift acceptance system.

IV. Gift Receipting

- A. A gift receipt must be sent to the donor when a gift is accepted by Advancement Services.
- B. The receipt contains the following information:
 - 1. Dollar amount of the gift or in the case of a gift-in-kind, a description of the gift.
 - 2. Date the gift was received.
 - 3. Clear and specific description of the donor's intended use for the funds, taken directly from the donor's instructions when possible.
 - 4. Proper "no goods and services" and gift fee disclosures.
- C. The gift receipt must adhere to Internal Revenue Service (IRS) substantiation guidelines.

V. Procedures for Gift Reporting

- A. Cash, check, or credit card gifts
 - 1. The department head or designee determines that the funds received fall within the definition of a gift (see [Section 260-15](#)), and that the purpose of the gift is acceptable.
 - a. If the check includes payment for the purchase of an item or donor recognition item (e.g., tickets to fundraising events, auction items) in addition to the gift, contact [Gift Administration](#) for assistance.
 - b. If the check does not meet the definition of a gift, see [Section 330-55](#).

2. Verify that the check is made payable to The Regents of the University of California or The UC Davis Foundation.
 3. Date stamp all donor correspondence with received date.
 4. Submit the gift and all correspondence via the gift acceptance system at ais.ucdavis.edu.
 5. Gift Administration reviews the submittal made via the gift acceptance system for completeness.
 - a. Gift Administration will notify the department of the need for additional documentation if necessary.
 - b. When appropriate, Gift Administration will forward the gift form to the Office of Research, Scholarship Office, or other appropriate office for signature, comment, or review.
 6. Gift Administration arranges for formal acceptance by the Chancellor (or designee), or the President or Regents as required.
- B. Pledges and pledge payments
1. The donor submits the pledge in writing, including the following information:
 - a. The total amount of the pledge.
 - b. The purpose of the pledge.
 - c. The expected payment schedule.
 - d. The planned payment amounts.
 2. The department head or designee determines that the donor correspondence is complete and that the terms are acceptable.
 3. The department reports the pledge via the gift acceptance system.
- C. Gifts-in-kind
1. Departments must first consider possible implications regarding storage, maintenance, licensing, and other possible expenses related to gifts-in-kind before reporting.
For gifts of software, contact the [Shared Services Center](#) regarding licensing.
 2. Receipts for gifts-in-kind must not state the value of the gift.
 3. Upon donor request, the department provides IRS Form 8283 to the donor. Once the donor has completed the relevant sections, the department may submit Form 8283 to Gift Administration for completion.
 4. Submit gift information and all relevant documentation, including appraisals, via the gift acceptance system.
 - a. If a formal appraisal is provided by the donor, use the value supplied in the appraisal.
 - b. If a formal appraisal is not provided by the donor, the department is responsible for determining the value of the gift in kind.
 - 1) Any reasonable method can be used to determine fair market value as long as the method is applied in good faith.
 - 2) The method used to determine fair market value must be documented.
 - 3) The fair market value of goods that are generally not commercially available may be estimated by looking at similar or comparable goods, even if they do

not have the unique benefits of the goods provided.

- f. If the value noted is substantially different than previously recorded, Gift Administration may change the previously reported value to agree with the official appraised value; if so, the department will be notified of the change.

5. The department notifies Gift Administration if a gift-in-kind is sold within 3 years of the date of acceptance of the gift by Advancement Services.

- a. Reports of sales are entered in the gift acceptance system, noting "gift sold," the month/day/year of sale, and sale price.
- b. For sales of gifts of animals, see [Section 340-30](#).
- c. Gift Administration completes the IRS Form 8282 and submits it to the IRS within 125 days of the sale. Copies of the form are sent to the donor and the department and archived in the gift acceptance system.

D. Securities

1. If securities are proffered by a donor, the department immediately notifies Gift Administration to determine if they can be accepted.
2. If acceptable, a copy of the donor's instructions for the transfer including number of shares, donor name, name of the security, and purpose of the gift is forwarded to Gift Administration.
3. Securities are transferred directly to the University by the donor's broker in one of the following ways:
 - a. Through a Depository Trust Company (DTC) transfer.
 - b. Through transfer of original certificates.
4. Receipts for gifts-in-kind must not state the value of the gift.

E. Bequests and testamentary trusts

The department forwards any requests for information regarding bequests to the Assistant Vice Chancellor—Planned Giving.

F. Real property

The department contacts the Assistant Vice Chancellor—Planned Giving and the Assistant Vice Chancellor—Advancement Services regarding the offer of real property.

G. Deferred gifts

Potential gifts of insurance, charitable remainder trusts, or other types of deferred gifts must be discussed with the Assistant Vice Chancellor—Planned Giving before any action is taken by the department.

H. Corporate matching gifts

1. The department includes the company match form when submitting the donor's gift via the gift acceptance system.
2. The department forwards any matching company check received to Gift Acceptance.

I. Gifts for research

1. Gifts must be reviewed by Advancement Services to determine, in collaboration with the Office of Research when appropriate, if the donation constitutes a gift or grant.
2. If the donor designates a specific principal investigator or research project for a gift

exceeding \$500, the principal investigator must complete and submit [Form 700-U](#) in accordance with the Office of Research's [instructions](#).

3. An [Addendum to Statement of Economic Interests](#) must be completed by any principal investigator holding financial interests in the sponsor company.
 4. The gift must be processed as described in section V.A.
- J. Gifts involving quid pro quo benefits
1. Quid pro quo valuation.
 - a. The department is responsible for determining the fair market value of the benefit offered.
 - 1) Any reasonable method can be used to determine fair market value as long as the method is applied in good faith.
 - 2) The method used to determine fair market value must be documented.
 - 3) The fair market value of goods that are generally not commercially available may be estimated by looking at similar or comparable goods, even if they do not have the unique benefits of the goods provided.
 - 4) The fair market value must be based on the cost to the donor to obtain the same or similar goods or services. The cost to the department has no bearing on the fair market value.
 - b. Newsletters or other publications that are not of commercial quality do not have measurable value as long as the primary purpose is to inform members about the activities of the department or program, and they are not available to the public through subscriptions or newsstands.
 - 1) Publications containing articles written for compensation and accept advertising are considered commercial quality publications.
 - 2) Professional journals are considered commercial quality publications.
 - c. The following are considered examples of advertising:
 - 1) Inclusion of links to commercial websites.
 - 2) An unfair competitive advantage, such as a discount, is received because of the advertisement.
 - 3) Inclusion of value statements such as, "the best", "the most".
 - 4) The advertisement mentions specific products, services, or costs.
 - d. When the quid pro quo benefit involves a membership, the benefitting department must submit the proposed terms of the membership, the fair market value of the membership, and all program solicitation and acknowledgment materials to Gift Administration prior to solicitation.
 - e. When a membership payment includes the right to purchase tickets to college athletic events, the fair market value of the benefit is 20% of the total contribution per IRS regulations.
 2. Disclosure requirements
 - a. Written disclosure must be included with both the solicitation and receipt of the contribution.
 - b. The department must provide written disclosure statements to donors of quid pro quo contributions in excess of the IRS established threshold.
 - c. The disclosure statement must contain the following information:

- 1) The amount of the contribution that is potentially deductible for Federal income tax purposes is limited to the excess of any money or the value of any property contributed over the value of the goods or services provided by the University.
 - 2) A description of the goods or services provided to the donor and a good faith estimate of the value.
- d. A disclosure statement is not required under the following circumstances:
- 1) If the goods or services given to a donor have insubstantial or de minimis value as defined by the IRS, then the solicitation materials will notify the donor that the benefit received is not substantial and that the full amount of payment is a potentially deductible contribution.
 - 2) The payment received does not exceed the fair market value of the goods or services received, in which case, the amount paid represents the purchase of goods or services and there is no contribution made.
 - 3) The donor makes a payment no more than the IRS threshold per year and receives only annual membership benefits that consist of any rights or privileges (other than the right to purchase tickets to athletic events) that the donor can exercise during the membership period or admission to events that are open only to members where the cost per person is under 10% of the threshold amount.
3. Refusal of benefits
- a. If the donor explicitly refuses the benefits offered, the potential tax deduction is not reduced.
 - b. Benefits can be rejected if indicated on the solicitation form or in writing at the time the gift is made.
 - c. Failure by the donor to use offered benefits is not evidence of nonreceipt of the quid pro quo benefit.

VI. Further Information

- A. Additional information regarding matching gifts is available from the Matching Gift Coordinator, Gift Administration, matchinggifts@ucdavis.edu.
- B. Other information regarding gift processing, including contact information, gift guidelines, and forms, is available from Advancement Services, ais.ucdavis.edu, (530) 754-1106.

VII. References and Related Policies

- A. [U.S. Code of Federal Regulations, Title 26, Chapter 1, Section 1.6115-1, Disclosure Requirements for Quid Pro Quo Contributions.](#)
- B. UC Office of the President:
 1. [Development Reference Guide.](#)
 2. [Administrative Guidelines for Campus Foundations.](#)
 3. [Administrative Guidelines for Support Groups.](#)
- C. UC Davis Policy and Procedure Manual:
 1. [Section 230-01, Private Support of Research.](#)
 2. [Section 230-05, Individual Conflicts of Interest Involving Research.](#)
 3. [Section 260-15, Solicitation and Acceptance of Private Support.](#)

4. [Section 260-40, Memorial / Commemorative Gifts and Funds.](#)
5. [Section 270-60, UC Davis Support Groups.](#)
6. [Section 340-30, Sale and Disposal of Agricultural By-Products.](#)