University of Pittsburgh Procedure
Non-Cash Gifts

Category: Development
Section: Gifts and Grants
Related policy: Non-Cash Gifts
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Procedure number: 03-01-01
Effective date: March 2017
Responsible University Officer:

- Vice Chancellor Institutional Advancement
- President, Medical and Health Sciences Foundation

PROCEDURE SUMMARY

Non-cash gifts are evaluated, received, and recorded by the University in furtherance of the University's mission.

The Office of Institutional Advancement (IA) and the Medical and Health Sciences Foundation (MHSF) are primarily responsible for non-cash gift donation coordination and acceptance. Any questions should be forwarded to these offices.

This procedure does not include cash donations, pledges, or planned gifts (e.g., wills, trusts, insurance policies, and retirement benefits) unless they contain a non-cash component.

ACRONYMS AND DEFINITIONS

Non-Cash Gifts - Non-monetary contributions such as art, books, equipment, intellectual property/patents, real property, mineral rights, securities, vehicles, insurance policies, and other tangible and intangible assets.

Capital Gifts - Tangible property or equipment valued at $10,000 or more and having auseful life of two or more years.

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RESPONSIBILITIES

University Responsibility Centers:

- Confirm that the solicitation of any non-cash gift is consistent with the Policy on Conflicts of Interest and Interactions between Representatives of Certain Industries and Faculty, Staff and Students of the Schools of the Health Sciences and Personnel Employed by UPMC at all Domestic Locations (known as the "Industry Relationship Policy").
- Request approval from IA/MHSF before accepting any non-cash gift.
- Maintain donated assets and ensure adherence to any mutually agreed upon restrictions.
- Inform IA/MHSF of any change to the status of donated assets, such as transfer, retirement, sale or disposal.
- Notify the Office of Risk Management (ORM) of new acquisitions of fine arts/historical treasures/collections exceeding $10,000 in appraised value.

Office of Institutional Advancement/Medical and Health Sciences Foundation, through its Development Officers:

- Evaluate the needs, costs, and implications of accepting or refusing the non-cash gift in consultation with the appropriate University Responsibility Center receiving the donation, and any other University department listed in this procedure.
- Coordinate acceptance of non-cash gifts, including assistance with the proper recording of the gift in the Advance gift processing system, and providing copies of relevant documents to University Responsibility Centers for recordkeeping and insurance purposes.
- Prepare and execute Deed of Gift or other documentation pertaining to non-cash assets.
- Complete IRS Form 8283, Noncash Charitable Contributions, when appropriate and requested.
    - The Associate Vice Chancellor for Corporate and Foundation Relations is authorized to sign IRS Form 8283 on behalf of the University.
- Coordinate completion of IRS Form 8282, Donee Information Return, when necessary.

University Art Committee and/or University Library System:

- Consult in the evaluation of gifts of fine art, historical treasures, or collection items.

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Department of Property Management:

- Consult in the evaluation of gifts of real property, land, mineral rights, and oil and gas interests.

Office of Finance:

- Consult in the evaluation of gifts of publicly and non-publicly traded securities, membership interests, bonds, debentures, notes, royalties, annuities, insurance policies, and other investment vehicles.

Budget and Financial Reporting:

- Properly record non-cash gifts in the University's financial statements.

Payment Processing and Compliance:

- Properly record capital gifts in the Net-FM database.
- Assign an asset number and tag to the asset.
- Report activity of donated capital assets to Budget and Financial Reporting.

PROCEDURES

A. Evaluating Offers of Non-Cash Donations
    a. Receiving Responsibility Center
        i. Confirm that the solicitation of any non-cash gift is consistent with the Industry Relationship Policy.
        ii. Notify appropriate IA/MHSF Development Officer that a non-cash donation has been offered before accepting the donation.
    b. Institutional Advancement/Medical and Health Sciences Foundation
        i. Request the following information from the donor:
            1. Donor's name and address.
            2. Description of the item offered.
            3. Fair market value or copy of appraisal.
            4. Name of the school or Responsibility Center that the item is to be given to.
            5. Intended use of non-cash gift.
            6. What restrictions, if any, are being proposed by the donor on the non-cash gift.

ii. Determine whether the donation meets the definition of a non-cash gift

1. Consult with the appropriate University Responsibility Center, to evaluate the needs, costs, and implications of accepting or refusing the non-cash gift.
2. Confirm that the solicitation of any non-cash gift is consistent with the terms of the Industry Relationship Policy.
3. Consult with appropriate key stakeholders, such as the Department of Property Management, the University Art Committee, the Office of General Counsel, and others regarding the proposed non-cash gift.
4. Notify the donor and the receiving Responsibility Center of the decision to accept or reject the donation.

iii. Accepted non-cash gifts

1. Prepare and execute Deed of Gift or other documentation pertaining to non-cash gift assets.
2. Inform donor of possible need for an independent appraisal of the asset in order to seek a tax deduction.
3. Complete IRS Form 8283, Noncash Charitable Contributions as requested.

B. Receiving and Recording Non-Cash Gift Donations

a. Receiving Responsibility Center

i. Arrange to take possession of the non-cash gift asset or transfer of ownership when notified of approval to accept the gift by IA/MHSF and Deed of Gift has been executed.

b. Institutional Advancement/Medical and Health Sciences Foundation

i. Notify the Office of Risk Management (ORM) of new acquisitions of fine arts/historical treasures/collections exceeding $10,000 in appraised value.

ii. Obtain a copy of the donor's completed IRS Form 8283, including a copy of an appraisal if applicable.

iii. Record non-cash asset donation into the Advance gift processing system.

iv. Notify Payment Processing and Compliance of any donated capital gifts.

c. Payment Processing and Compliance

i. Record the asset in the Net-FM database and tag the asset.

C. Reporting and Recording Changes to Donated Assets (maintenance, transfer, sale, or other retirement)

   a. Receiving Responsibility Center

      i. Review Deed of Gift to confirm that any change in status (maintenance, transfer, sale, or other retirement) of the non-cash asset is consistent with the Deed of Gift.

      ii. Consult with IA/MHSF prior to any change in status of a donated asset and provide any necessary documentation to IA/MHSF.

      iii. Forward copies of the status change documentation to Payment Processing and Compliance for recording in the Net-FM database.

   b. Institutional Advancement/Medical and Health Sciences Foundation

      i. Consult with Receiving Responsibility Center as necessary on the change in status of the non-cash asset.

      ii. Coordinate completion and signature of IRS Form 8282 for non-cash gifts valued over $500 that are sold, exchanged, consumed, or otherwise disposed of within three (3) years after the date the University received the gift.

   c. Payment Processing and Compliance

      i. Record any changes in donated capital assets in the Net-FM database and report all activity of donated capital assets to Budget and Financial Reporting on a quarterly basis.

   d. Budget and Financial Reporting

      i. Record activity of donated capital assets in the general ledger from detail provided by Payment Processing and Compliance on a quarterly basis.

UNIVERSITY POLICIES, PROCEDURES, AND OTHER DOCUMENTS

Policies

Policy AO 25, Non-Cash Gifts (formerly 03-01-01)

Policy FN 02, Capital Asset Accounting (formerly 05-10-01)

Policy on Conflicts of Interest and Interactions between Representatives of Certain Industries and Faculty, Staff and Students of the Schools of the Health Sciences and Personnel Employed by UPMC at all Domestic Locations

Procedures

None.

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CONTACTS

Subject	Contact	Phone
Acceptance of Non-Cash Gifts	Office of Institutional Advancement	412.624.5800
Acceptance of Non-Cash Gifts	Medical and Health Sciences Foundation	412.647.3048
Gifts of Securities, etc.	Office of Finance	412.624.1799
Gifts of Art, Historical Treasurers, Collections	University Library System	412.648.7755
Gifts of Real Property	Property Management	412.624.9900

HISTORY

Update review and change to new format