



Guide for Gifts-in-Kind to The Citadel



This document is aimed at providing a brief overview of how gifts in kind may be donated to The Citadel. In simple terms gifts *other than cash* may be considered gifts-in-kind. Examples of gifts in kind include the following: real estate, equipment of immediate operational value to The Citadel, or marketable securities.

The need for policies and procedures

The Citadel and the Foundation have established specific policies and procedures which govern the acceptance of gifts in kind. Detailed policies and procedures are necessary for several reasons: The Citadel must ensure that the gifts accepted truly represent value to The Citadel, will not result in unplanned administration or management expenses, will not result in a liability for the foundation or The Citadel, and will not likely cause unanticipated tax concerns for the donor. The Citadel and the foundation also must comply with IRS tax rules and filing requirements that govern these gifts. (The related policies and procedures may be accessed via the foundation website at the following address: <http://citadel.edu/tcf/pages/misc/policies.shtml>)

Key points

- Gifts in kind take more time, sometimes a lot more time to complete
- Gifts of publicly trade stocks (allowing for possible donor tax advantages on appreciation) are fairly straightforward – guidelines are on the web: <http://citadel.edu/tcf/pages/howto/securities.shtml>
- Planned gifts such as bequests, charitable trusts and otherwise represent a very attractive and often tax advantaged option for contributing to The Citadel. Dan Shephard, Director of Planned Giving, is ready and willing to discuss the many options for gifts of this type
- The policies of The Citadel and the foundation follow and in some cases are derived from IRS rules; this protects the non profit status of the foundation and it protects the donor
- Certain types of life insurance may be accepted (paid up, whole life, with the foundation as sole beneficiary)
- Gifts of materials, equipment, etc. must be approved IN ADVANCE. Delivery should not be scheduled or accepted without pre approval
- Gifts of real estate may provide significant tax advantages for donors. The flip side is that they require detailed documentation and analysis, and ultimately approval of the board of directors. A gift of real estate would likely require between two to three months at a minimum to complete
- Labor or services of a donor or donor controlled entity may not be recognized as a charitable gift per IRS rules and Citadel policy
- In general the foundation will not establish the value of a gift. The donor must take responsibility for the valuation. The Citadel must require, in any event, that the valuation is reasonable and based on that value that might be agreed upon in an arms length transaction
- In most cases where the gift value is above \$5,000 an *independent, IRS qualified appraisal* must be provided by the donor to substantiate the gift value

Where to go for more information?

If you'd like to understand the policies and processes the web site (below) is a good place to start. If you have further questions you may contact a foundation Major Gift Officer or the foundation Gift Coordinator office.

Reference: policies <http://citadel.edu/tcf/pages/misc/policies.shtml>

How to give: <http://citadel.edu/tcf/pages/howto/index.shtml>