Walla Walla University
Office of Advancement

Internal Use Only

Gift-In-Kind Acceptance Form Instructions

• Please be certain that all sections of the form are complete and that the appropriate names and signatures are in place.

• Attach to this form all documentation supporting the acceptance of this gift and forward to the Office of Advancement to proceed with final signature(s).

If the Gift-In-Kind is less than $500 and is not a car, boat or plane, you can stop here.

• Gifts of Automobiles: A donor’s deduction is generally limited to the actual selling price of the vehicle. However, if the vehicle is being “materiaily improved” by WWU or retained and used by WWU in a “significant” manner, the donor can deduct the fair value at date of donation based on the Blue Book value (See IRS Pub 526 page 11 for determination of fair market value). Where these exceptions apply, it usually results in a higher value for the donor so WWU representatives must be very careful that the strict definitions of “materiaily improved” or “significant use” are met or the IRS may assess penalties to WWU (See definitions at IRS Publication 4302).

A. Form 1098-C (Copy B) must generally be provided to the Donor within 30 days of the date of sale. However, if the vehicle is “materiaily improved” or if retained for “significant use” by WWU, the Donor must receive a copy of Form 1098-C (Copy B) within 30 days of the date of donation. Whoever receives the vehicle on behalf of WWU and interacts with the Donor (hereinafter referred to as “Receiver”) should complete Copy B and forward it along with the Gift-In-Kind Acceptance Form and related documentation to the Office of Advancement. See Form 1098-C (Copy B) attached, along with a Decision Tree that will aid the Receiver in completing this form. The Office of Advancement will then attach the original copy of Form 1098-C (Copy B) and the related 1098-C Donor Instructions Page to the acknowledgment mailed to the Donor. Advancement will also forward a copy to the Accounting Office (see “B” below).

B. From 1098-C (Copy A) must be filed by WWU by March 1 of each year for all donations for which WWU issued 1098-C’s (Copy B) during the preceding calendar year. This is a separate requirement and will be handled by the Office of Accounting.

C. To ensure university insurance coverage, Receiver should notify Risk and Safety Management of the Gift-in-Kind received.

• Gifts of Boats and Airplanes: Form 1098-C requirements and similar rules to Automobiles apply.

• If a donor intends to claim a tax deduction for an in-kind gift, donor should be advised to complete Form 8283 on their federal tax return. If the value of the gift-in-kind exceeds $5,000, the donor must complete sections A and B of Form 8283 and a representative of Walla Walla University (Controller) is required to sign the form. It must be submitted to WWU accompanied by an appraisal executed by an independent appraiser. The cost of the appraisal will be the responsibility of the Donor. In addition, if the appraised item is sold by WWU within 3 years, WWU Office of Accounting must be notified of the selling price so that it can file Form 8282 within 125 days of the sale.

• An official acknowledgement will be provided to the Donor from the Office of Advancement at WWU for all gifts-in-kind. If Donor or Receiver have further questions, they may contact the Donation Processing Manager at extension 2095.

• In cases where the donor is not claiming a tax deduction of $5,000 or more and thus isn’t required to obtain an appraisal, documentation should be submitted to support the valuation placed on the gift. Contact the Donation Processing Manager in cases involving this special situation.

• IRS forms may be obtained at http://www.irs.gov/formspubs/index.html.
Walla Walla University Vehicle Donation Program: Form 1098-C (COPY B) Decision Tree

- **Is vehicle worth more than $5000?**
  - **Yes**
  - **Will vehicle be immediately sold "as is"?**
    - **Yes**
      - **Form 1098-C to donor within 30 days of sale**
        - Complete Donor Info
        - Complete Boxes 1, 2, 3, 5a, 5c & 6
        - Leave Boxes 4a, 4b, 4c, 5b and 7 blank
        - Box 5c - Please document in detail the "Material Improvement" or "Significant Intervening Use". See definitions below. If does not qualify, treat as a sale.
      - **Definition of "Material Improvement"**:
        - Must be a major repair that significantly increases vehicle's value
        - Cleaning, minor repairs, and routine maintenance do not qualify
        - Painting, removal of dents, repair of upholstery do not qualify
      - **Definition of "Significant Intervening Use"**:
        - WWU must use the vehicle for its operations
        - Use must be regular, frequent and for a long duration
        - Example: Van donated to WWU that will be used to distribute mail
    - **No**
      - **Form 1098-C (INFO)**
      - **Form 1098-C**
      - **Form 1098-C**

- **No**
  - **Does donor claim that the vehicle's value exceeds $250?**
    - **Yes**
      - **Form 1098-C NOT REQUIRED**:
        - Forward Gift-In-Kind Acceptance form to the Office of University Advancement
    - **No**
      - **Form 1098-C**
      - **Form 1098-C**
      - **Form 1098-C**

*Note: This Decision Tree can also be used for in-kind donations of other licensed items, such as boats and airplanes.*