



NON-CASH ITEMS: GIFTS IN-KIND

POLICY

The Archdiocese of Miami, and any of its parishes, schools and related entities, may accept a non-cash item, also referred to as a gift in-kind, with an apparent value of less than \$5,000 only if the gifts in-kind can be used by the entity to further advance the mission of the Archdiocese, or its related entity.

Gifts in-kind valued in excess of \$5,000 shall only be accepted upon the express approval of the President of the ADOM Development Corporation.

PURPOSE

The purpose of this policy is to provide a systematic means of accepting gifts of non-cash items to the Archdiocese of Miami or any of its entities therein.

DEFINITIONS

Closely-held Stock: Stock, evidenced by a stock certificate, which is not publicly traded.

Gifts-in-Kind: Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, software, vessels, automobiles, inventory, personal property, securities, other physical assets, material or services which represent value to the Archdiocese of Miami or any of its entities.

For all gifts of physical property (real estate), the President of the Development Corporation must be notified immediately.

IRS Form 1098-C: Form to be filed for a contribution of motor vehicles, boats and airplanes.

IRS Form 8282: This form is used by the Archdiocese of Miami to report information to the IRS about certain non-cash donated properties which are disposed of within three years of the date of gift.

IRS Form 8283: This form is used by the donor to report information to the IRS about non-cash charitable contributions. The Archdiocese of Miami acknowledges receipt (but not the value) of the contribution and the donee section of the form must be completed by the President of the Development Corporation.

Limited Use of Private Property: The right to rent-free use of a home, office, piece of equipment or commercial property owned by a donor for a specific event for a period of time. Such gifts are recognized by the Archdiocese of Miami but are generally not recognized by the IRS as tax deductible. Examples include the rent-free use of office space, or the rent-free use of a vacation home to host an Archdiocesan event (or any of its entities).



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Out-of-Pocket Expenses:

Payments made by a donor to a vendor for material or services utilized on behalf of the Archdiocese of Miami or any of its entities. It includes un-reimbursed expenses paid by a person while volunteering time to the Archdiocese of Miami but does not include the person's time. For example, such a gift is the expenses incurred by a donor sponsoring a dinner party to promote the Archdiocese.

Services:

Professional services or time which is freely given and which can easily be valued by their usual market cost. Gifts of services are recognized by the Archdiocese of Miami but are generally not recognized by the IRS as being tax deductible. Examples of gifts of services are the donation of broadcast time by a radio station or legal services by an attorney.

Time Shares:

The arrangement whereby several joint owners have the right to use a property as a vacation home under a time-sharing agreement.

GIFTS IN KIND

The Development Corporation is responsible for making determinations on accepting proposed gifts in kind valued in excess of \$5,000.

The only gifts in kind that can be accepted directly by a parish or other entity or program within the Archdiocese of Miami are those with an apparent value of less than \$5,000, except for real property gifts which require approval by the Development Corporation regardless of their value.

All proposed gifts in kind with an apparent value of \$5,000 or more must be presented to the Development Corporation. Determination on all gifts of service, gifts of out-of-pocket expenses and gifts-in-kind with an apparent value of less than \$5,000, except for real estate, are made at the discretion of the Pastor or Director of the Entity or Program within the Archdiocese insofar as the in-kind items being considered for donation would assist the archdiocesan entity in advancing their mission.

For all gifts of real property (real estate), the President of the Development Corporation must be notified immediately.

General information on IRS appraisal requirements of donated gifts in-kind is provided to potential donors by the Development Corporation. Donors should also be advised to contact their personal financial advisors, tax attorneys, or accountants for tax deductibility advice.

The Archdiocese will not act as an appraiser of gifts in-kind. The donor, not the Archdiocese, has the responsibility of substantiating the value of donated property with the IRS. For the gift in-kind to be tax deductible, the donor, not the Archdiocese, must pay for an appraisal. **Therefore, no values for gifts in-kind, except for publicly traded securities, shall appear in acknowledgment letters.**

Signature by an authorized representative of the Archdiocese of Miami is required on IRS forms, which acknowledge receipt of in-kind property, is not a concurrence with the fair market value. Values are



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recorded for accounting and donor recognition purposes only. For donations with a value in excess of \$5,000, the IRS Form 8283 must be signed by either the President of the Development Corporation, the Chief Financial Officer or Chancellor and COO, on behalf of the Archdiocese of Miami.

The general policy regarding the disposition of gifts in-kind is that the Archdiocese divests itself as rapidly as possible of gifts unless the gift received in-kind is placed in use by the Archdiocese. Disposition is made without regard to donor appraisal, and the Archdiocese of Miami assumes no responsibility for any variance between appraised value and the amount obtained from the sale. Donors must be notified of IRS Policy 8282 regarding the disposition of donated property.

Contribution credit for out-of-pocket expenses can only be given if the donor submits receipts or check copies clearly indicating the vendor name and the goods purchased or expenses incurred, and receipts indicating acceptance of goods resulting from the expenditure. Donor recognition for donations of out-of-pocket expenses and limited use of private property are awarded upon approval by the President of the Development Corporation.

Archdiocesan contribution credit for services can only be given if the donor submits a record of such services, verified by an Archdiocesan representative, and verification that the rate at which the credit is granted is within community standards of usual and customary charges for such services. Donor recognition for donation of services is awarded upon approval by the President of the Development Corporation.

PROCEDURES

- A. Individuals who are contemplating donations of gifts in-kind should be advised of Archdiocesan policies and procedures. For specific legal and financial advice, refer donors to their tax attorneys and professional financial counselors.
- B. To present any gift in-kind, gift of service or gift out of pocket expense, or gift of real property for acceptance, you must email the details of the gift in-kind to the President of the Development Corporation. All gifts with an actual or perceived value in excess of \$5,000 must be approved by the Development Corporation in advance of acceptance of such gift.
- C. Gifts in-kind in excess of \$5,000 that have been approved by the Development Corporation in which the individual donor seeks a tax deduction require that the property be appraised by the individual donor so that the appraisal can be submitted with the IRS Form 8283. The Archdiocese is required to sign Section B, Part 1 of the IRS Form 8283 acknowledging receipt of the gift (see above Policy for proper signatory). The IRS Form 8283 form is then to be returned to the donor, and a copy of the IRS Form will be kept on file in the Development Corporation. If the donor is not taking a tax deduction, a written acknowledgment of the donor's intent not to file Form 8283 and a document stating the apparent value of the gift must be sent to the President of the Development Corporation for the file.
- D. Gifts in-kind (with apparent value of \$5,000 or more) sold within three years of donation require that IRS Form 8282 be completed. Prompt notification by the Development Corporation for the sale must be made by the President. The President completes IRS Form 8282 and sends it to the IRS no later than 125 days after the date of disposition with a copy to the donors and the Finance



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Office. The Development Corporation is responsible for keeping records of Form 8282 together with other donor's documents related to the donation as the official Archdiocesan record.

- E. Gifts in-kind donated for auctions are permissible but under the same guidelines and requirements set forth herein. The following is contingent upon the donor filing IRS Form 8283 for gifts with an apparent value of \$5,000 or more:
 - a. The Donor submits an appraisal and the IRS Form 8283 at the time of the gift. If the donor is not filing Form 8283, attach verification of the donor's intent not to file the Form and document stating the apparent value of the gift.
 - b. The Program or Entity within the Archdiocese hosting the auction informs the President of the Development Corporation of the sale of any auction gift in kind which is disposed of within three years of the date of receipt (for submission of IRS Form 8282, see above).
- F. Gifts in-kind with apparent values of \$4,999 or less are accepted at the discretion of the Parish, Program or Entity within the Archdiocese of Miami so long as the in-kind items will be used to further the mission of the archdiocesan entity.
- G. To propose a gift of real estate, the President of the Development Corporation must be notified immediately. All gifts of real estate must be approved by the Development Corporation in conjunction with the Chancellor's Office.
- H. For gifts of motor vehicles and/or airplanes, the President of the Development Corporation must be notified immediately and are subject to the approval of the gift acceptance committee. Such donations, if approved, require completion of the IRS Form 8283, IRS Form 1098-C and if the gift is disposed of within three years of the date of receipt, completion of IRS Form 8282.
- I. In cases where the apparent gift value is below \$5,000 or the gift is from a corporation or foundation, valuations for financial records and for donor recognition may be prepared by the Development Corporation or from equipment price listings.
- J. Proposed gifts of closely-held stock must be approved by the President of the Development Corporation. If the apparent value is more than \$10,000 and the donor is an individual, a qualified appraisal, provided by the donor, must be attached.
- K. Copies of documentation regarding contribution credit for out-of-pocket expenses, services or limited use of private property, must be approved and submitted to the President of the Development Corporation. Upon receipt of documentation, the contribution credits will be recorded in the system for crediting purposes only.
- L. No real property will be accepted without the approval from the President of the Development Corporation and Chancellor and COO of the Archdiocese of Miami.

Initial: December, 2011
Current: September, 2021