



San José State
UNIVERSITY

Office of the President

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President:
Dr. Robert L. Caret

September 7, 1999

Memo to: Vice Presidents, Deans, Directors, Chairs, and
Administrative Heads

From: Robert L. Caret, President

SUBJECT: Presidential Directive 99-03

Acceptance of Gifts Policy

This revised policy for the acceptance of gifts to San Jose State University is effective immediately.

PD 99-03 supersedes any and all previous versions of the policy released in 1956, 1983 and 1995.

This revision includes a new non-monetary gift acceptance form (attached) as well as updated instructions for gifts of stock, gifts of securities, gifts of software and gifts-in-kind. The forms related to the donation of publicly traded securities are available through the Office of University Advancement.

Questions on this policy, use of the forms, and guidelines should be directed to the Division of University Advancement at 924-1120.

RLC:JCR:drh

Attachment

POLICY: Acceptance of Gifts
SAN JOSE STATE UNIVERSITY
June 1999

San José State University
Policy for Acceptance of Gifts

I. Gifts of Real Property

A. Acceptance

1. Prior to acceptance, gifts of real property must:
 - a. Be approved in writing by the University President or designee, based upon the outlined criteria for acceptable property and based upon a reasonable plan to use, resell or otherwise convert the property to a usable asset.
 - b. Have completed a satisfactory title search for residential property and a satisfactory Phase I Environmental Site Assessment for commercial and other non-residential property. Carry out Phase II study if Phase I study raises any indications that toxics may be present.
 - c. Have a recent, qualified appraisal. Donor provides qualified appraisal within 60 days of transfer of property. Designated university representative (Vice President of University Advancement or designee) acknowledges appraised evaluation by signing IRS Form 8283.
 - d. Be approved in writing by the CSU Board of Trustees when interest in the property is outside the Campus Master Plan. To request such approval, a letter should be drafted to the Office of Auxiliary and Business Services and should be coordinated through the Vice President of University Advancement or designee. This is in accordance with CSU Board of Trustee Standing Orders, Chapter III, Section 7b, adopted 1/98.
2. Real property not acceptable as a gift to San Jose State University includes:
 - a. Property with no resale value or that is not eminently re-sellable except when such property may be implemented within the guidelines of the Campus Master Plan.
 - b. Property that is mortgaged or in some other way indebted or that would incur on reasonable or unacceptable indebtedness or potential liability once accepted.

B. Valuation

1. Property will be accepted at the appraised value as of the date of acceptance, based upon a recent, qualified appraisal as recorded on IRS Form 8283 provided by the donor or by the university representative acting as the donor's agent, at the donor's expense.
2. San José State University has no responsibility for affixing value to any gift on behalf of the donor. However, in the event that the appraisal far exceeds a sum easily explained under the "prudent person" rule, the university may, at its own expense, have a second appraisal done.

3. The donor will bear the costs of the qualified appraisal.

C. Resale or usage

1. Property to be held

- a. Property intended to be held must be held as an asset within the SJSU Foundation when appropriate.
- b. Its use must be implemented within the guidelines of the Campus Master Plan or in the event that the Master Plan has not been updated recently, must be consistent with the mission of the institution.

2. Property to be sold

- a. All property to be sold will be sold by the university President's designee or SJSU Foundation.
- b. Property will be listed for sale immediately after acceptance.
- c. Cost of the sale of property will be deducted from the sale proceeds.
- d. If gifted property is to be accepted into a charitable remainder trust, the costs of sale and related costs, the costs of professional service by non-SJSU providers, and all related costs will be reported to the donor. Such costs, if not met by additional gifts of the donor, will be attributed to the trust itself (as provided for in the trust document).

II. Gifts of Equipment/Tangible Personal Property

A. Acceptance

1. Gifts of equipment related to the academic mission of SJSU are received upon written acceptance by the University President or designee.
2. Prior to acceptance of donations of equipment, the following information relative to the proposed donation must be provided by the University department utilizing the gift:
 - a. Name and address of donor
 - b. Description of item(s) & value
 - c. Proposed use
 - d. Condition of proposed gift
 - e. Where to be located
 - f. When to be put into service
 - g. Immediate and long-term cost(s) of storing, installing, insuring and/or reconditioning for SJSU use.
3. Above information & sign-off from FD&O and Computer Center (if applicable) must be submitted on the Gift Acceptance Form (non-monetary) (see attached). Additional copies are available through the Property Office (4-1595)

B. Valuation

1. For accounting purposes only, not for the donor's tax deductibility, fair market value for gifts below \$5,000 will be determined by either the department utilizing the gift or the original donor.
2. For donations valued in excess of \$5,000, the donor is responsible for acquiring a qualified appraisal for tax purposes within 60 days of the gift. The donor must submit the appraisal to the university for signature, to acknowledge the university's receipt of the appraisal. This does not, however, constitute the university's agreement to the amount claimed for the donated property. Signature indicates SJSU acknowledgement of appraised fair market value which is required by the IRS.

C. Resale or usage

1. For donated property in excess of \$5,000 that is sold, exchanged or otherwise disposed of within two years of receipt, an information return must be filed with the IRS (form 8282) by the Property Office or appropriate department. This may change the donor's deductible portion. This may lead to IRS review of tax return on which deduction for gift is claimed.
2. The department utilizing the donated property is responsible for arranging transfer and receipt of the equipment.

III. Gifts of Securities, Limited Partnerships and other Intangible Property

A. Acceptance

1. Gifts of readily marketable (exchange traded) securities will be accepted.
2. Gifts of securities which are not readily marketable (exchange traded) will be accepted under the following conditions:
 - a. Gifts of closely held corporate stock will be accepted on the condition that a qualified appraisal of the stock's value is supplied by the donor.
 - b. The stock's sale can be only restricted for the length of time agreed upon by the university and the donor at the time of the gift.
3. Gifts of bonds and other securities that require a "holding" period or have a maturity date will be accepted
4. Gifts of securities meeting the criteria below will not be accepted:
 - a. Securities which could create a liability to SJSU or its Foundation.
 - b. Securities which, by their nature, may not be assigned (such as series "E" bonds).
 - c. Securities which, upon investigation, have no apparent value.

B. Valuation

1. Gifts of readily marketable securities (exchange traded) will be receipted as of the date of transfer to a brokerage account held in the name of SJSU or delivered to a representative of SJSU. Documentation of the value of such gifts is the responsibility of the donor. The university books gifts of securities based on the mid-point market value for the date the university took control of the securities and the gain or loss on the completed sale of the securities.
2. Gifts of securities, which are not readily marketable, will be receipted as of the date of transfer to a brokerage account held in the name of SJSU or delivered to a representative of SJSU. Documentation of the value of such gifts is the responsibility of the donor. The university will book the gift at mid-point market value and the gain or loss on the securities will be charged to the account.

C. Resale or usage

1. Gifts of readily marketable securities will be sold within twenty-four (24) hours from the date of acceptance.
2. Gifts of readily marketable securities intended for endowment may be retained by the Foundation's endowment managers if in their opinion the security fits into the endowment management plan

3. Gifts of bonds and other securities that require a "holding" period or have a maturity date may be sold prior to the holding date.

IV. Gifts of Tangible Personal Property

A. Acceptance

1. Gifts of tangible personal property (e.g., artwork, books, antiques, furniture, automobiles) are received upon written acceptance by the university President or designee based upon a reasonable plan to use, resell or otherwise convert the property to a usable asset.
2. Prior to acceptance, the donor must be informed by the Office of University Advancement of the university's plans for use or resale of the item, and of the probable tax consequences these plans *may* have on the donor.
3. Prior to acceptance of donations of personal property, the following information relative to the proposed donation must be provided by the university department utilizing the gift.
 - a. Description of item
 - b. General quality of the item
 - c. Age of the item
 - d. Original unit cost
 - e. Proposed use of the item, or plan to convert asset
 - f. Cost(s) of storing, installing and/or insuring the gift
4. Gifts of tangible personal property must be accompanied by a Questionnaire-Gift Acceptance Form supplied by the Property Office.

B. Valuation

1. For accounting purposes only, not for the donor's tax deductibility, fair market value and the estimated useful life of the item for gifts below \$5000 will be determined by the Property Office or appropriate department.
2. For donations valued in excess of \$5000 the donor is responsible for acquiring a qualified appraisal for tax purposes within 60 days of the gift. The donor must submit the appraisal as shown on IRS Form 8283 to the university for an acknowledgement signature. This does not, however, constitute the university's agreement to the amount claimed for the donated property.

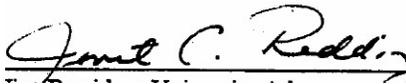
C. Resale or usage

1. For donated property in excess of \$5000 that is sold, exchanged or otherwise disposed of within two years of receipt, an information return (IRS Form 8282) must be filed with the IRS by the Property Office or appropriate department.
2. The department utilizing the donated property is responsible for arranging transfer and receipt of the equipment.

See Appendix for forms and instructions.

Revision History: 1956
 1983
 1995

This Revision: 6/1999

Approved for distribution: 
Vice President University Advancement

6-1-99
Date

APPENDIX

Forms and Instructions

1. Gift Acceptance Form (Non-Monetary)

For current versions of documents listed below and instructions, contact the Office of Advancement:

2. How to Donate Publicly Traded Securities to San Jose State University Foundation Account
3. How to Donate Publicly Traded Securities to San Jose State University State Account

ALL DONOR CORRESPONDENCE REGARDING THIS GIFT MUST BE ATTACHED.

NOTE: The donor should include, if available, specifications and/or documentation for any donated equipment. The originating department is responsible for any costs associated with disposing of equipment. For tax deductibility the gift must be operational and have a remaining life in its current form of two or more years.

The originating campus department *must* complete Step 1 and Step 4.

- Steps 1, 2, and 3 must be completed **prior to delivery** of gift equipment or supplies
- Steps 4, 5, and 6 must be completed **after delivery**
- Originating department **must** obtain signatures from Facilities Development and Operations (FD&O) and, **If applicable**, the Computer Center.
- After the equipment is delivered, the originating department **must** route this completed form to the Property Office in the Accounting and Costing Department (extended ZIP 0042)

STEP 1 ORIGINATING DEPARTMENT USE ONLY (EXTENDED ZIP)

FROM: Department Contact Person - Name & Extension

DONOR INFORMATION: Name Address Corporate contact name

GIFT INFORMATION: Item (use additional sheets if necessary) Value (determined by donor) Is this gift considered company product? yes no Is this a software license gift? yes no Educational discount license value \$ (Attach supporting documents)

USE: To be used in original form To be modified To be cannibalized (not tax-deductible) CONDITION: New Used Requires modification

WHERE TO BE LOCATED:

WHEN TO BE PUT IN SERVICE:

Department Chair/Director – Signature Date Dean, AVP or VP – Signature Date (items greater than or equal to \$5,000 or causing significant expense to college)

STEP 2 FD&O USE ONLY (0010)

Complete and return to originating department within 2 days. Explain action or information needed below.

Yes No N/A

Equipment will fit through existing passageways. Adequate facilities are available for. ventilation electricity plumbing floor space

FD&O – Signature Title Date

Additional forms available from Property Office (4-1595)

STEP 3 COMPUTER CENTER USE ONLY (0013) I

(Computer Center sign-off is required only if it needs to provide support for the equipment.)

Complete and return to originating department. *Explain additional action or information needed below.*

Yes No N/A

Equipment is compatible with Computer Center-supported configurations.

Computer Center - Signature

Title

Date

STEP 4 ORIGINATING DEPARTMENT USE ONLY

Date equipment received

STEP 5 PROPERTY USE ONLY (0042)

Tag items greater than or equal to \$500.

Route Form to Advancement

Tag #

Serial #

Model

Location

Date Tagged

Property – Signature

Title

Date

STEP 6 UNIVERSITY ADVANCEMENT USE ONLY
(0257)

Complete Form and file with copies of letter.

Acceptance letter sent to donor.

Copy of Form sent to originating department.

University Advancement – Signature

Title

Date