450-12 Reporting of Gifts and Private Grants

Effective Date: 1/1/92 (revised 5/1/98)
Office of Origin: University Development and Alumni Relations

I. Purpose

This policy outlines the criteria used in determining gift or private grant status and relevant reporting requirements.

II. Definitions

Bequest: a transfer, by means of a will, of personal property (e.g., cash, securities, or other tangible property).

Gift: anything of assignable value, such as cash (i.e., currency, coin, checks, money orders, bank drafts), real estate, stocks and bonds, gifts-in-kind, mineral rights, inventions, and patents. Funds should generally be classified as gifts when the intention is to make a charitable contribution, the donor does not impose contractual requirements, and funds are awarded irrevocably.

Deferred gift: a commitment or gift established legally during the donor's lifetime, in which principal benefits usually do not accrue to the charitable recipient until some future time, often after the donor's death. The term is usually applied to any arrangement whereby money or property is irrevocably allocated for future receipt by an organization. Frequently, income is paid to the donor and/or someone else for a period of time. Annuities, trusts, gifts of insurance, and will commitments are generally referred to as deferred gifts.

Gifts-in-kind: a contribution of equipment, supplies, or other property in lieu of money.

Intangible property: gifts of property with no intrinsic value but which are evidence of value (e.g., copyrights, patents, royalties).

Private grant: an award in response to a proposal submitted to a private foundation, association, corporation or corporate foundation, or private trust. Funds should generally be classified as grants when: (1) there is provision for audits by or on behalf of the grantor; (2) the grantor is entitled to receive some consideration such as a detailed technical report of research results or a report of expenditures; (3) testing or evaluating of proprietary products is involved; (4) the research is directed to satisfying specific grantor requirements (e.g., terms and conditions stating a precise scope of work rather than a general area of research); (5) a specified period of performance is prescribed or termination is at the discretion of the grantor; and (6) patent or licensing rights are requested by the grantor.

III. Policy

A. It is UCSF's responsibility to establish appropriate controls to track the disposition of gifts of tangible property for two years from the date of receipt for purposes of meeting Internal Revenue Service reporting requirements.

B. As a matter of practice, and for insurance purposes, gifts-in-kind (i.e., nonmonetary gifts) to UCSF are accepted and reported only through The Regents, with the exception of securities endorsed to the UCSF Foundation.

C. Gifts of real property are reported at their fair market value as of the date of formal acceptance by The Regents or by the UCSF Foundation.
D. Bequests are reported after they have been distributed to the University. Anticipated bequests, based on notice that a donor has included the University in a will, are not reported since they are revocable.

E. Gifts of intangible property (e.g., copyrights, patents, royalties) are reported at their fair market value if available; if not available, they are valued at $1 equity. When a gift of intangible property results in royalties or other payments, such payments are treated as income and not reported as gifts.

F. Deferred gifts are reported at their full value on the date of receipt.

G. To report insurance policies as gifts, the University must be named both irrevocable owner and beneficiary. The value of the policy is its cash surrender value at the time of receipt, not its face value. Insurance policies are to be treated as securities for reporting purposes. After a life insurance policy is received as a gift, it may be surrendered for its cash value, or it may be maintained.

H. The full amount of all pledges and grant awards are reported for gift purposes when notification is received, regardless of whether they are accompanied by a payment.

I. The date securities are valued and reported is based on the following criteria:

1. if hand delivered, the date when the stock certificate is surrendered to a University representative and is negotiable by The Regents or the UCSF Foundation.
2. if mailed, the postmark;
3. if transferred through the donor's agent, the date the security is transferred into the name of The Regents or the UCSF Foundation.

IV. Responsibility

Contact Office of Origin (see above) with any questions.

V. Related Policies

- UCSF Foundation (Policy 500-11)

VI. References

- Development Policy and Administration Manual, Office of the President:
  - Reporting Categories and Definition (Section V.B.)