



## **Gifts-In-Kind**

### **I. Purpose**

Schools, colleges, or units (SCUs) that receive gift(s)-in-kind (other than money and publicly traded securities) valued over \$5,000 may be subject to certain Internal Revenue Service (IRS) reporting requirements. The University of Michigan must file Form 8282 (Donee Information Return) to report any dispositions of noncash charitable deduction property made within 3 years after receipt, for which the University was provided a Form 8283 (Noncash Charitable Contribution), for signature. Dispositions include selling, exchanging, giving away or scrapping the property.

Please see section V for reporting requirements if the SCU received and/or disposed of a motor vehicle, airplane, or boat (please note that the \$5,000 threshold does not apply to these gifts).

### **II. Reporting Process for the SCU that Received the Gift(s)-In-Kind**

SCUs that receive gift(s)-in-kind should receive a Form 8283 from the donor which provides information about the noncash charitable contributions. Please ensure that Part V (Donee Acknowledgement) of Form 8283 which asks if the “organization intends to use the property for an unrelated use” is completed on the form. Please request for a Form 8283 from the donor if this was not provided to the SCU at the time of the gift.

Please work with your representative from the Office of University Development to process the Form 8283 and any gift(s)-in-kind acknowledgement receipts that the donor requires.

Further, it is the SCU’s responsibility to keep records and documentation of the gift(s)-in-kind as well as track the usage of the gift(s) especially when it has been disposed since this triggers a Form 8282 filing requirement that must be filed and submitted to the IRS.

### **III. Information Required from the SCU to File Form 8282**

The SCU must notify [taxreporting@umich.edu](mailto:taxreporting@umich.edu) within 30 days from the date of disposition with information regarding the donor and donated property (noted below) which is required to complete the Form 8282. Failure of timely notification may trigger penalties for delinquent returns.

## Donor's information:

- a. Name and address
- b. Identifying number (i.e., SSN), and should be the same number provided on the Form 8283

## Information on the donated property:

- a. Description of the donated property
- b. Did the SCU dispose of its entire interest in the property?
- c. Was the use related to the SCU's exempt purpose or function?
  - i. If yes, and the property was tangible personal property, describe how the SCU's use of the property furthered its exempt purpose.
  - ii. If no, and the property was tangible personal property, describe the SCU's intended use (if any) at the time of contribution.
- d. Date the SCU received the donated property
- e. Date the property was disposed

**IV. Exceptions**

The Form 8282 is not required for the following circumstances:

- a. The donated property is valued at \$500 or less on the Form 8283 provided by the donor, or
- b. The donated property is consumed or distributed, without consideration, in fulfilling the SCU's exempt purpose or function.

**V. Reporting Requirements for Receipts and Disposition of Motor Vehicles, Airplanes, or Boats**

If a donor contributes a motor vehicle, airplane, or boat with a claimed fair market value of more than \$500, and intends to take a charitable deduction on their tax return, U-M is required to furnish the donor with Copies B and C of Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes, within 30 days from the date of the contribution (if the SCU intends to retain the property), or 30 days from the date of sale (if the SCU disposes of the vehicle).

To provide the Form 1098-C to the donor within the 30-day time frame, the SCU must provide the Tax Compliance and Planning department and the Office of University Development with the following information within 15 days of receipt or from the date of sale.

- a. Donor's name, address, and SSN
- b. Date of contribution
- c. Odometer mileage
- d. Year, Make and Model of vehicle
- e. Vehicle or other identification number (VIN)
- f. Description of any material improvements made to the vehicle (if applicable).
- g. Description of the SCU's significant use of the vehicle. Significant use is defined in the Form 1098-C instructions as if the SCU actually uses the vehicle to substantially further the SCU's regularly conducted activities, and the use is significant, not incidental.

Examples of significant use include the following:

- Driving a vehicle every day for 1 year to deliver meals to needy individuals, if delivering meals is an activity regularly conducted by the organization.
  - Driving a vehicle for 10,000 miles over a 1-year period to deliver meals to needy individuals, if delivering meals is an activity regularly conducted by the organization.
- h. Description and value of any goods or services that were provided to the donor in exchange for the vehicle (if applicable).
  - i. Notification if the vehicle was transferred to a needy individual for substantially less than fair market value
  - j. If the vehicle was sold to a buyer other than a needy individual, please confirm that the sale was made in an arm's length transaction between unrelated parties. Please also provide the date of sale and gross proceeds from the sale.