

UW-Madison

Gift Management Training

Spring 2019

Presented by

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Gift Management Accountant

Accounting Services



In this course, participants will learn:

- ✓ How to deposit gift funds
- ✓ What revenue transactions are allowable on 233 gift projects
- ✓ How to request changes or updates to 233 gift projects
- ✓ How to accept a gift in kind (noncash donation)
- ✓ Where to find gift management information and support

Agenda

Part 1

Monetary Gifts

- Gift Criteria
- Depositing Gifts
- New 233 Project Numbers
- Account Code Usage
- Revenue Transfers
- Residual Balance Projects
- Project Edits
- Project Balances
- Closing Projects

Part 2

Gifts in Kind

- Gifts in Kind: Definition & Examples
- Considerations for Gifts in Kind
- Accepting & Processing Gifts in Kind
- Donation Valuation for Capital Equipment
- Disposals of Gifts in Kind

Conclusion

- Gift Management Website Tour
- Additional Resources

Monetary Gift Criteria

A donation in the form of money that meets the following criteria:

- ✓ Monetary gifts must provide funding for activities, such as professorships, scholarships, building projects, fellowships, and other activities in support of the research, instruction and service mission of the University. Donors may restrict use of funds to a specific program area or purpose.
- ✓ No detailed technical or fiscal reports are required as a condition of the gift. Unit or faculty member involved may provide donor with a brief summary of the results of supported activities and a statement that expenditures were made in accordance with intent of the gift.

Monetary Gift Criteria (Cont.)

- ✓ The gift does not grant donor with rights to, or impose any restrictions with respect to patents, copyrights and other intellectual property rights that result from activities supported by the gift.
- ✓ The gift contains no restrictive provisions, such as delays or advance notice concerning publication or dissemination of data and information derived from activities supported by the gift.
- ✓ The gift is irrevocable by the donor.

Gift vs Sponsored Project

Sponsored projects require:

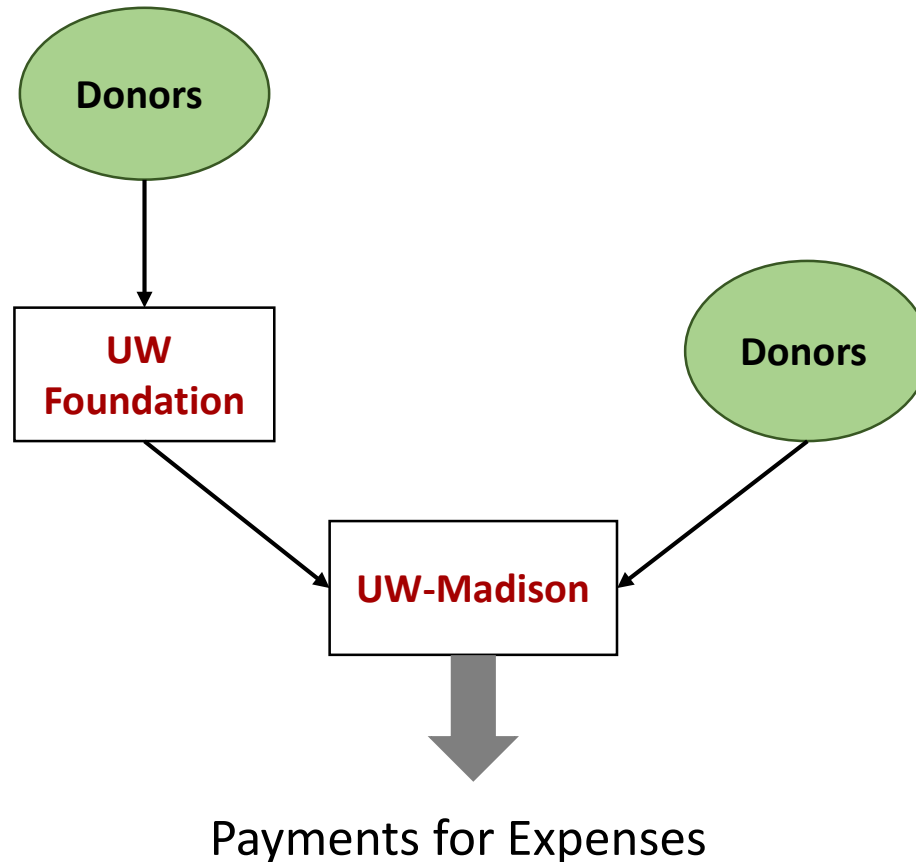
- ✓ Specific statement of work
- ✓ Detailed financial accountability
- ✓ Compliance with sponsor's terms and conditions

Term "*grant*" not definitive on how to treat funds



Contact Office of Research
& Sponsored Programs or
Gift Management with
questions

Flow of Donor Funds on 233



Depositing Gift Funds at WFAA

[WFAA Advancement Resources Web Site](#)



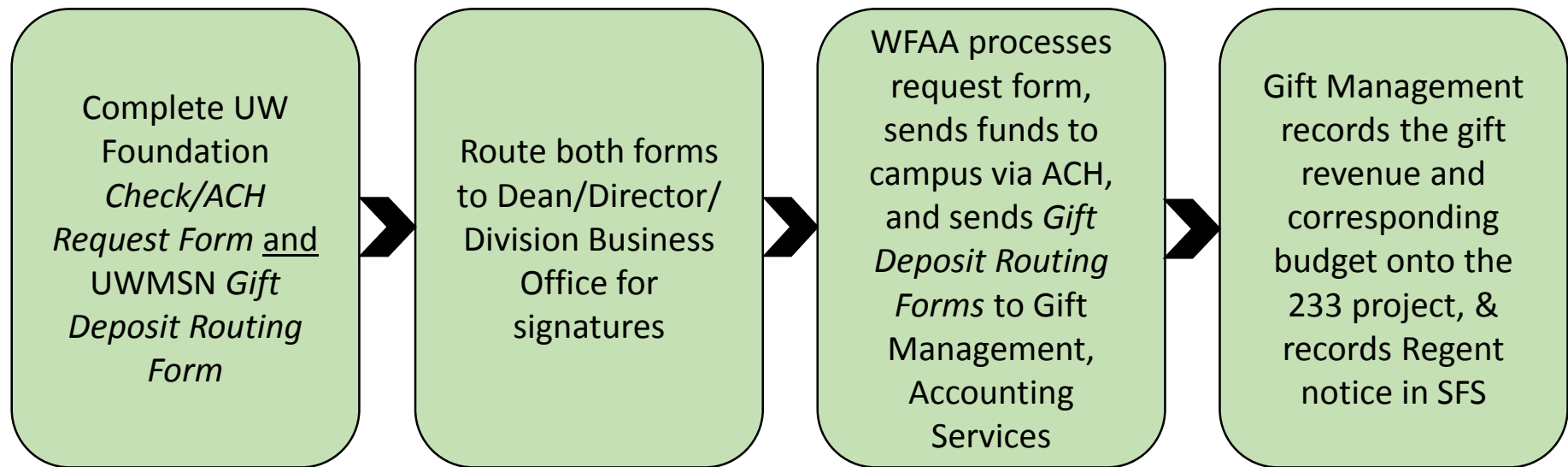
Wire or ACH: Contact WFAA Gift Processing team

Cash: Can drop off at WFAA office; Do NOT mail cash

Questions regarding UW Foundation fund information or UW Foundation forms should be directed to help@uwadvancement.org

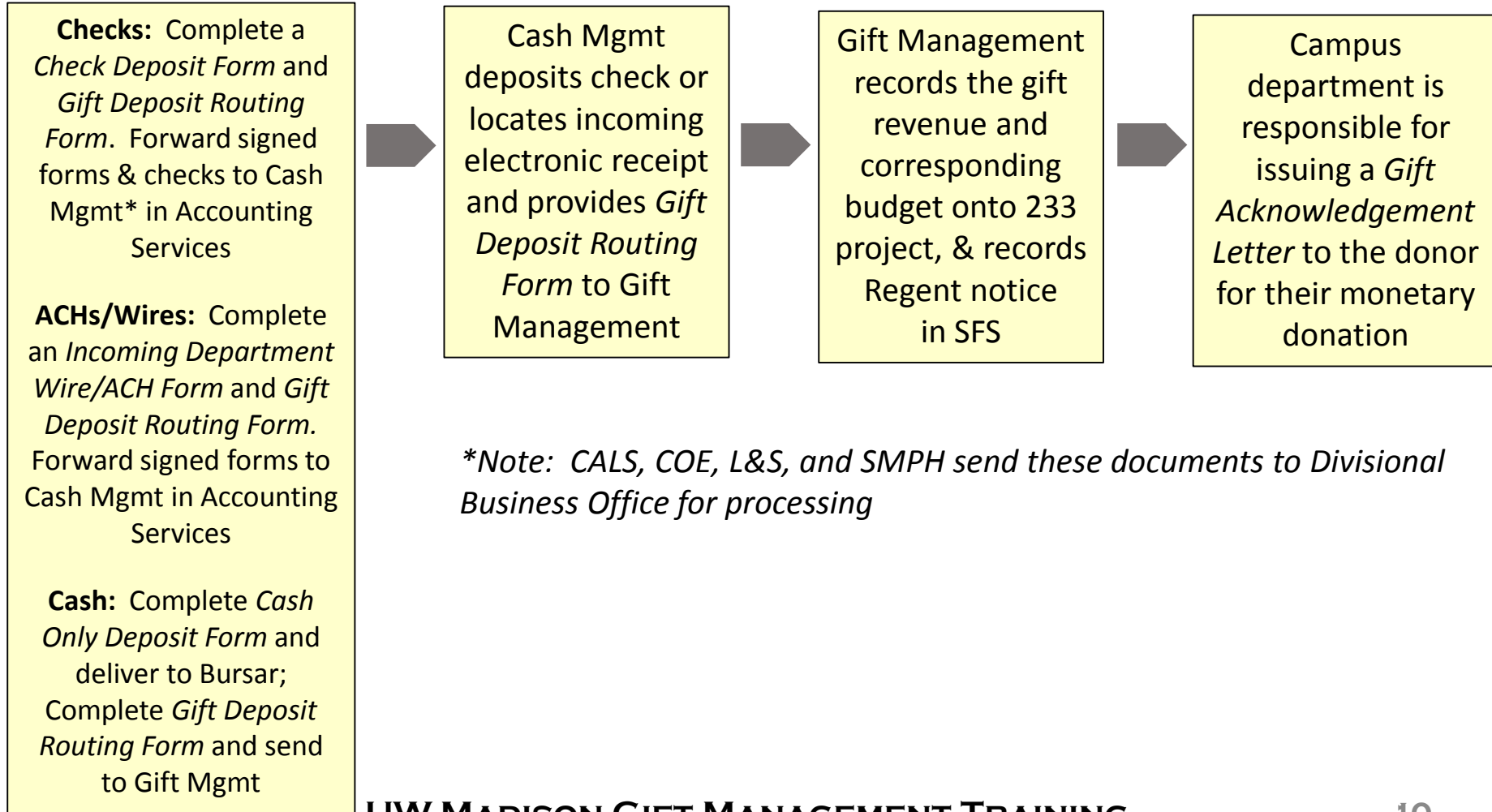
Process for Requesting Funds from WFAA

[WFAA Advancement Resources Web Site](#)



Questions regarding UW Foundation fund information or UW Foundation forms should be directed to help@uwadvancement.org

Depositing Gift Funds at UW-Madison



Depositing Gift Funds at UW-Madison (Cont.)

[Letter Template](#)

{DATE}

{COMPANY NAME}

{ADDRESS}

Dear {NAME}:

Thank you for your contribution of {\$ AMOUNT} received on {DATE} for support of research by {PI NAME} at the University of Wisconsin-Madison.

The purpose of this letter is to confirm that this contribution is intended as a gift and that all parties agree to the general conditions concerning gifts to UW-Madison. No goods or services were provided in exchange for your contribution. In addition, the University defines a gift as funding provided for general or unrestricted support for research, public service, instruction, fellowship, traineeships, or other activities. No fiscal reports or technical reports are required by the donor. Patents, copyrights, or other intellectual property rights that may result from the work funded with the gift cannot be claimed by the donor; all rights reside with the University. The donor may not restrict publication by the University of the results of the work resulting from the gift in any way. In addition, there is no time limit on the expenditure of funds and the gift is irrevocable.

If your contribution does not conform to all of the conditions listed above, or if you do not agree with the classification of your donation as a gift, please call {NAME/S AND PHONE NUMBERS} to discuss the

Requesting a New 233 Project Number

1. Complete a *Gift Deposit Routing Form* when depositing gift funds
 - Under “ADD PROJECTS,” enter new project information in Option 2 and click “Save.”
 - When you select “Print” to generate the pdf, “NEWPROJ” will appear in Project ID field.


The screenshot shows a web form titled "ADD PROJECTS" with two main sections:

- Option1: Search for an Existing Project:** This section contains input fields for Project ID (with the value "233FS40"), Project Title, PI Name, Department ID, and Department Name. A "Search" button is located at the bottom of this section.
- Option2: Enter a New Project:** This section contains input fields for Project Title (with the value "GIFTS DEMO"), Donor Name (with the value "UWF"), Project Start Date (with the value "04/25/2018"), Project End Date (with the value "12/31/2099"), PI Name (with the value "ISABELLA ZIMMER"), Department ID (with the value "120000"), and Department Name (with the value "WISCONSIN SCHOOL OF BUSINESS"). A "Save" button is located at the bottom of this section.

At the bottom of the form, there are two buttons: "Print" and "Exit to Main Menu".

2. When Gift Management receives routing form for processing, a new project number will be created and provided to the contact.

Gift Deposit Routing Form (See Handout)



ACCOUNTING SERVICES
Gift Deposit Routing Form

(Print and send completed Gift Routing Form to your Dean's Office or equivalent for approval.)

Contact Information

Name	APRIL A COOK		
Phone Number	608/262-0726		
Email Address	APRIL.COOK@WISC.EDU		

Deposit Information

Gift Amount	\$ 100.00	Donor	ABC FOUNDATION INC
Reference Number	5432	Gift Date	12/1/2018

Total Deposit Amount \$ 100.00

Project Information

Deposit Amount	\$ 100.00	Project Title	GIFT TRAINING PROJECT																			
Project Number	NEWPROJ	PI Name	SUSIE MALONEY																			
PI Type	Director	Donor Name	MULTIPLE DONORS																			
PI Tenure Status	Perm. PI	UW Project Type	NS_04 Education/Training																			
Fund	233	Project Start Date	07/01/2018	Project End Date 12/31/2099																		
Regent Category	INSTR	Department ID	030500																			
Program Codes	1, 2	Department Name	ACCOUNTING SVCS* ACCTG SVCS																			
Project Revenue	<table border="1" style="width: 100%;"> <thead> <tr> <th>Code</th> <th>Amount(\$)</th> </tr> </thead> <tbody> <tr> <td>9500</td> <td>100.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Code	Amount(\$)	9500	100.00					UW Project Edits	<table border="1" style="width: 100%;"> <thead> <tr> <th>Dept. ID</th> <th>Description</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Dept. ID	Description									
Code	Amount(\$)																					
9500	100.00																					
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Clearance Approvals

Approval Date	Expiration Date	Assurance

BIOS – Biosafety/Recombinant DNA Protocols?	N
HUMN - Use of Human Subject/Human Tissue?	N
ANIM – Use of Vertebrate Animals	N
HESC – Pluripotent Stem Cell Protocol?	N
Space/Remodel/Construction action?	N
Environmental Impacts (WEPA)?	N
Funding for Building/Renovation/Equipment?	N

Required Signatures (PI must sign if New Project)

Project Title	GIFT TRAINING PROJECT	Project Type	GIFT
Chair/Department	Date	Principal Investigator: SUSIE MALONEY	Date
Dean/Director or equivalent			Date

Printed Date: 01/24/2019 Page 1

Gift Project Account Code Usage

Revenue Account Codes on Fund 233 Projects



In certain circumstances:

- 9050 Sales Credits-Internal*
- 9051 Sales Credits-External*
- 9942 Trfs-Same Funds/Same Unit*

Gift Project Account Code Usage (Cont.)

Other Account Code Usage

- ✓ Can perform salary and non-salary cost transfers using the cost transfer tool
- ✓ Expense reimbursements - use the cost transfer tool and choose the same expense account on each side of transaction
- ✓ Vendor refunds should be recorded to the same string as the original expense

Gift Project Account Code Usage (Cont.)

Revenue Producing Activities (RPAs) Are Not Appropriate for Fund 233 Gift Projects

- ✓ Income from the internal or external sale of goods or services should be recorded to an applicable revenue producing activity funding string, not Fund 233
 - 9300 for Services; 9400 for Sales of Materials **Not** Allowed



Revenue Transfers

It is acceptable to request a revenue transfer from one 233 project to another when... (indicate T or F)

- T Trying to close a project that has no other expenses than salary and fringe (9942)
- T A pool or revenue clearing project that is used for a particular purpose (95XX)
- T Correcting an error (95XX)
- T Special considerations



Contact Gift
Management
for assistance
with processing
a revenue
transfer

Residual Balance Projects

Definition: Residual Balance Projects are 233 projects created by Research and Sponsored Programs (RSP) to move the remaining balance of a fixed-price project to an unrestricted 233 Discretionary Research Funding project for a Principal Investigator (PI).

- ✓ Always identified with a description of “Discretionary Research Funding,” and “RESIDUAL” is noted in parent field of project
- ✓ No other gift funds can be deposited onto Residual Balance Projects
- ✓ Remain open until PI is no longer active or leaves the University

More information: <https://www.rsp.wisc.edu/awardmgt/residual/criteria.html>

Project Edits

Requests can be submitted to Gift Management via email to make changes to any of the following 233 project information, and must come from the Dean/Director/Division Business Office: giftmgt@bussvc.wisc.edu

Project Description (Donor intent must be maintained)	Principal Investigator or Project Team
Owning Department	Project Begin or End Date
UW Project Type	Project Edits (Department IDs, Program Codes)
Project Closures	

Budget VS Revenue on 233

- ✓ Budget is recorded when gift revenue is received and recorded
 - Some exceptions:
 - Professorship appointments
 - Awards issued by division
 - SMPH – Wisconsin Partnership Program
 - Unless fall under exception, revenue total is amount of funds available to spend (and revenue and budget should agree)



Cash Balances

Equals all Revenue minus all Expenses on a project.

Includes Sales Credits

Excludes Encumbrances

233 projects should be monitored regularly to ensure any growing negative cash balances are addressed.

As a best practice, negative cash balances should be cleared by June 30th each fiscal year end to extent possible.

Closing Projects

1. Verify the project is in balance
 - A. Review budget, revenue, and expense totals in WISDM/WISER to ensure all three are in agreement
 - B. If they are not, action will be necessary to bring them in balance
 - C. Any encumbrances remaining on the project need to be cleared before a project can be closed
2. Once the project is in balance, a request to close the project can be sent to Gift Management via email by the Dean/Director/Division Business Office

Closing Projects (Cont.)

Reviewing budget, revenue, and expense totals in WISDM/WISER

If a project has sales credits, “in balance” will mean the following:

- Revenue without sales credits = total budget
- Revenue with sales credits = total expenses

The screenshot shows the 'Financials' tab selected in the WISDM/WISER interface. Below the navigation tabs, there is a link: 'To access project summary from before July 2006 click [here](#)'. The 'Account Tree' is set to 'MSN_FUNDORG_DFLT (DEFAULT)'. The table below displays the following data:

Account	Budget	MTD	Actuals
REVENUES			
Revenue & Sales Credits			
-- Revenues	0.00	0.00	12,300.00
-- Sales Credits	0.00	0.00	500.00
TOTAL	0.00	0.00	12,800.00
EXPENSES			
Expenses			
-- Services & Supplies	0.00	0.00	12,800.00
Non-Categorized Acct			
-- Non-Categorized Accounts	12,300.00	0.00	0.00
TOTAL	12,300.00	0.00	12,800.00

Note: You can change the Account Tree display to **MSN_GPR_DFLT** to review the financials in another view and confirm the project is in balance.



Brief Discussion Topic

Reviewing budget, revenue, and expense totals in WISDM/WISER

1. See handout
2. Are the two project examples ready to be closed?
3. Why or why not?

[Example 3](#)

WISDM (& WISER!)

Project edits,
Board of Regents
notices, and
Gift Deposit Routing
Forms are accessible
in WISDM/WISER for
233 projects

<https://wisdm2.doit.wisc.edu/wisdm2/Main.aspx>

The screenshot displays the WISDM web interface. At the top, the logo for the University of Wisconsin System WISDM is shown, with the tagline 'Wisconsin Data Mart for PeopleSoft Financials'. Below the logo is a navigation bar with 'Main Menu', 'Comment', 'Help', and 'My Projects'. A link 'Add to My Projects' is visible. The main content area shows project details for 'Fund-Project: 233-PRJ91GK' and 'Project Description: SUNDAY AFTERNOON LIVE AT THE CHAZEN'. Other details include 'UW Project Type: General/Miscellaneous', 'Project PI: Gilman, Amy Elizabeth', 'Project Budget: \$54,041.49', 'Project Co-PI:', 'Project Dates: 8/1/2014 - 12/31/2099', 'Project Status: Open', and 'F&A Base (Rate):'. A section for 'Award ID: NA' is expanded, showing 'Award Sponsor: MULTIPLE DONORS', 'Reference Nbr: 06/12/2018', 'Flow-through Sponsor: 0', 'Award Amount: \$54,041.49', 'Award Type: Other', 'CFDA:', 'Award Solicitation RFP: NA', 'FDP?: No', 'Cost Share?: No', 'Predecessor:', 'CALs Accession Nbr:', 'Successor:', 'Principal/Income:', and 'Parent:'. At the bottom, there are tabs for 'Financials', 'Personnel', 'Funding Actions', 'Requirements', 'Edits', 'Cost Share Schedule', 'Cost Share Expenditures', and 'Associated Docs'. A note states 'To access project summary from before July 2006 click here'. The footer shows 'Account Tree: MSN_FUNDORG_DFLT (DEFAULT)' and a table with 'Account' and 'Budget' columns.

Payments Using Gift Funds

- ✓ Must use gift funds in manner intended by donor
 - Fund descriptions on WFAA Advancement Resources website
- ✓ Must pay amounts allowed under UW-Madison and/or UW System policies via UW-Madison payment mechanisms
 - May include making payments on fund 233 and requesting funds from UW Foundation
- ✓ Payments not allowed via UW-Madison can be submitted to WFAA via 1) e-Reimbursement or 2) UWF Check/ACH Request
 - Will be subject to WFAA policies, legal & regulatory obligations, and donor intent

See UW-Madison gift procedure 131.2 and [WFAA Campus-Service Policies](#) for more information.

What questions do you have about
monetary gifts?



Monetary Gifts Quiz

1. True or **False**
Gift revenue received at UW-Madison only comes from UW Foundation.
2. When requesting a new project on a *Gift Routing Form*, which signatures are required?
A. Department level/Chair & Dean's Office C. Dean's Office only
B. Principal Investigator & Dean's Office
3. Which of the following revenue account codes is not appropriate to use on 233 gift projects?
A. 9505, UWF – General **C.** 9300, Services
B. 9942, Trfs-Same Funds/Same Unit D. 9050, Sales Credits-Internal
4. **True** or False
A representative from your Dean, Director, or Division Business Office can request updates to project edit information by sending an email to Gift Management.

Gifts in Kind: A Definition

Donations of tangible items, goods, or services which would typically be items that the University would otherwise have to buy.

Typically Routed through Gift Management

- Machinery and equipment
- Lab equipment
- Artwork
- Books and publications
- Vehicles
- Farm machinery and equipment
- Live animals
- Supplies and materials
- Furniture and fixtures
- Audio and video pieces

Typically Routed through WFAA

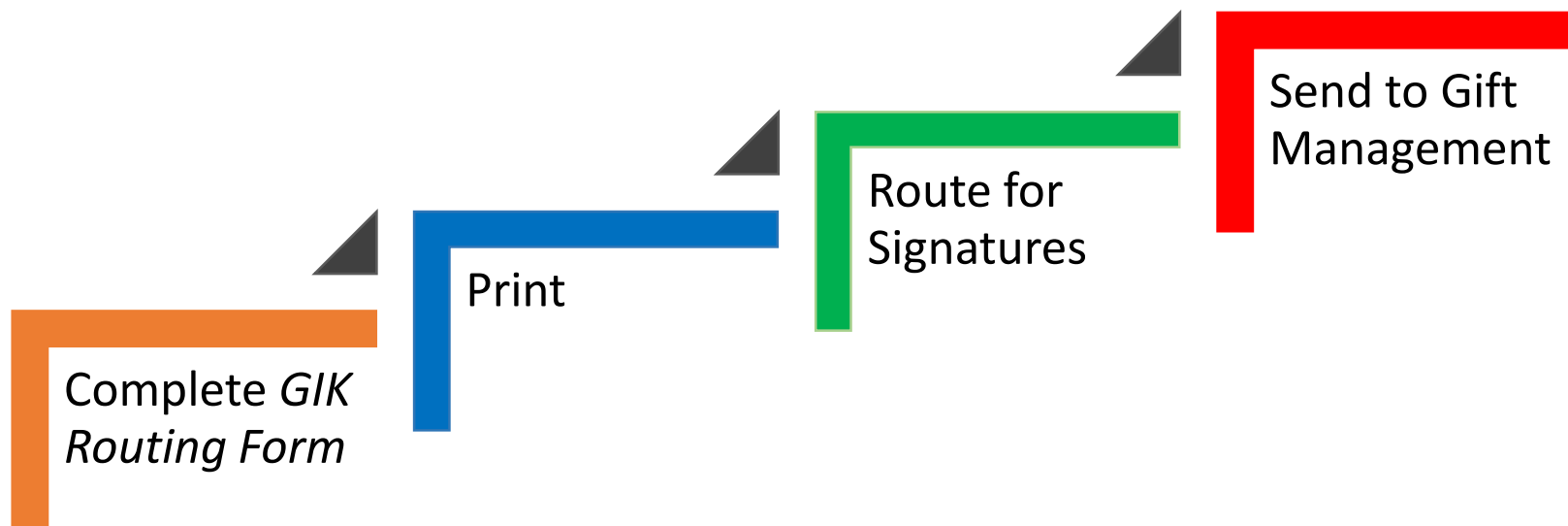
- Real property
- Estate bequests
- Services
- Events hosted by donor
- Event tickets
- Assets to be liquidated (proceeds go into WFAA fund)

Considerations of Accepting a Gift in Kind


- ✓ Gift should be relevant to the mission of the University and further the work of departments and programs at the University.
- ✓ Donor's intent should match interests of the University.
- ✓ Consideration should be given to potential future costs associated with accepting the gift (maintenance, repair, storage, etc.).
- ✓ Consideration and formal evaluation should be formed related to future competitive bidding concerns as well as any potential legal and/or insurance concerns associated with accepting the gift.

The Process for Accepting a Gift in Kind (GIK)

To begin:



Gift in Kind Routing Form (See Handout)



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

ACCOUNTING SERVICES
Gift In Kind Routing Form

(Print and send completed Gift In Kind form to your Dean's Office or equivalent for approval.)

Contact Information

Contact Name: APRIL A COOK Contact Phone: 608/262-0726
 Contact Email: april.cook@wisc.edu

Donor Information

Donor Name: ABC Foundation Inc Donor City/ST: Milwaukee WI

Gift Information

Gift Description: Sony 75 inch Class LED Z9D Series 2160p Smart 4K UHD TV with HDR
 Is the gift equipment? Yes Manufacturer: Sony
 Estimated Value(for inventory insurance): \$6,999.99 Serial Number: 987654321
 Value Source: Published value of the gift (i.e. catalog or website print out) Model Number: XBR75Z9D
 Building Number or Location: 1078 Room: 6205

Recipient Information

Type of Recipient: Director
 Recipient Name: Dan Langer Anticipated Receipt: 1/2/2019
 Recipient Email: dan.langer@wisc.edu Employee ID: 00582317
 Department Name: ADMINISTRATION*ADMINISTRATION Recipient Phone: 608-262-4766
 Program Code: 1 - Institutional Support Department ID(DDS): 030100

Required Clearances

	Yes	No
Action involving space, remodel, or construction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Potential environmental impacts which require review under the Wisconsin Environmental Policy Act?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will protocols apply for: biosafety/recombinant DNA, use of human subject/human tissue, use of vertebrate animals, or pluripotent stem cell?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* If "yes" was checked above, please attach the appropriate approval form.

Approvals and Certification

Recipient(s): The information provided on this form is correct to the best of my knowledge. We agree to abide by all applicable institutional and donor policies and procedures.

When deemed capital equipment, all Gift Information fields required

After Submission of *Gift in Kind Routing Form*

- ✓ Gift Management will review for compliance with policy
- ✓ Gift Management obtains Legal or Risk Management approvals as applicable
- ✓ Gift Management informs department they can continue with accepting donation
- ✓ Department takes physical custody of item(s)
- ✓ Department sends a GIK Acknowledgement Letter to donor & provides copy to Gift Management
- ✓ Gift Management reports GIK to Board of Regents in SFS
- ✓ Gift Management reports any capital equipment items to Property Control

Donation Valuation for Capital Equipment Items

How should the assigned estimated fair market value (FMV) of the items be supported?

- ✓ Third party appraisal
- ✓ Itemized inventory list
- ✓ Invoice
- ✓ Published value of gift (i.e. catalog or website print out)

Why is this information important?

- ✓ Property Control will include these items in physical asset inventories for the University. This means:
 - They will be insured
 - They will be used in depreciation calculations for Financial Reporting
- ✓ To avoid risk upon audit, supporting documentation is needed to show the value was determined in a reasonable manner.

Gift in Kind Acknowledgement Letter

[Letter Template](#)

DATE

ADDRESSEE

ADDRESS

CITY, STATE ZIP

Dear {SALUATION}:

Thank you for your recent contribution of {description of item}. Your contribution was made for the benefit of the University of Wisconsin – Madison {benefitting campus unit}. Please be assured that we have received your contribution and it will be put to use in the manner you have specified.

You may consider this letter to be your official receipt from {benefitting campus unit} for the property described above. This contribution is made unconditionally and is free from any restrictions, obligations, or arrangements.

The IRS further requires us to state that you have received no goods or services in exchange for this contribution, or the value of any items received in exchange for this contribution falls within the definition of "low cost articles" under section 513(h)(2) of the Internal Revenue Service Code.

GIK Process Considerations

There may be instances when it is not practical to complete the *GIK Routing Form* prior to taking custody of donated items. For example:

- Clothes or props donated to Department of Theatre and Drama
- Artwork or pieces donated to museums, galleries, and collections
- Books or materials donated to libraries

When volume is high, you can:

- ✓ Record the name and address of the donor(s), and description of items donated so acknowledgement letters can be issued
- ✓ Create a listing of donations for a monthly period
- ✓ Complete one *GIK Routing Form* for the previous months' donations and attach the listing

Disposals of Gifts in Kind

GIK <u>is</u> Capital Equipment Asset	GIK is <u>Not</u> Capital Equipment Asset
<p>If the GIK is tagged as a capital equipment asset, follow the disposal procedures issued by Property Control. See Procedure 110.7</p> <p>http://www.bussvc.wisc.edu/acct/propcont/tabPCprocedures.html</p>	<p>Notify Gift Management via email about the disposal of the GIK item(s)</p> <p>giftmgt@bussvc.wisc.edu</p>

What questions do you have about
gifts in kind?



Gifts in Kind Quiz

1. True or False

To the extent possible, the Gift in Kind Routing Form is to be provided to Gift Management prior to taking custody of items donated.

2. True or False

Supporting documentation must be attached to the GIK Routing Form for capital equipment items valued at \$5,000 or more.

3. True or False

The campus department accepting the GIK is responsible for issuing a donor acknowledgement letter.

4. Which of the following is not appropriate substantiation for the assigned estimated FMV of items donated?

A. Invoice

C. Third party appraisal

B. Guesstimate by Departmental Property Administrator (DPA)

D. Published value

Gift Management Website for Policies, Procedures,
Forms and Additional Resources:

<http://www.bussvc.wisc.edu/acct/gifts/gifts.html>

Gift Management Email: giftmgt@bussvc.wisc.edu

Gift Management Accountant: April Cook, 608-262-0726

(Note: SMPH can contact smphfiscal@med.wisc.edu with questions & requests)

Thank you
for your participation.

