Frequently Asked Questions

Every gift is important, and we deeply appreciate all of our investors. This information is provided to answer questions regarding gifts in-kind and is not intended to provide professional tax advice. Please contact your tax or legal advisor or the IRS for additional charitable contribution guidelines.

What is an in-kind gift?
A gift in-kind is any property contributed to the foundation for use to further the educational purposes of the tech college. Examples of “property” include equipment, software, and business inventory. Donors of gifts in-kind can generally receive a tax deduction equal to the fair market value of the property at the time of the contribution.

What is not an in-kind gift?
Donors cannot deduct as a charitable contribution any gift to a specific individual, the value of their time or services, or contributions from which they may benefit.

- Example: A donor cannot purchase textbooks to give to a particular student of their choosing.
- Example: A carpenter volunteers to build a picnic shelter on the campus. The cost of the materials is deductible, but the cost of the carpenter’s time to construct the building is not.

How is the fair market value determined?
It is the responsibility of the donor of an in-kind gift to provide the fair market value of the property at the time it is donated. Fair market value is the price that property would sell for on the open market. If a restriction is placed on the use of the property donated, the fair market value must reflect that restriction.

For further assistance in determining the fair market value, visit www.irs.gov.

What is the procedure for accepting an in-kind gift?
Before a gift in-kind can be accepted by the foundation, it must be determined if the gift is acceptable for use by the tech college. Any potential liability or costs associated in accepting the gift must also be considered before the gift is accepted. Proposed gifts that are not usable by the college will not be accepted.

- Example: A donation of out-of-date equipment that is no longer relevant to the current curriculum or that requires extensive repairs.

What is an endowment fund?
Endowments are like savings accounts which generate income from the investment of the principal. A gift to an endowment is placed in a restricted account so it may grow and spin off more and more income as years pass. This principal always remains intact.

Need more information? Please contact:
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