

**POLICIES AND PROCEDURES  
OUACHITA TECHNICAL COLLEGE**

**SUBJECT AREA: Foundation**  
**POLICY/PROCEDURE: Bargain Sale**  
**DATE: July 25, 2000**  
**REVISION(S):**

**NUMBER: 3.51**

1. Appropriate OTC Foundation approval of the terms of a bargain sale should be obtained from department heads, directors, deans, purchasing, the Office of Planned Giving and Institutional Advancement, and the Office of Finance and Administration as may be appropriate (and to comply with any College purchasing procedures).
2. A bargain sale must also satisfy all OTC Foundation policies and procedures for outright gifts or real or personal property.
3. It is often desirable to have the donor sign a “letter of understanding” outlining the terms and conditions of the gift, possible tax consequences, and cautions regarding a subsequent sale of the property by the OTC Foundation. This is most useful when donated personal property must be put to a general or specifically related charitable purpose to qualify the deduction for special income tax treatment.
4. The Vice President of Finance and Administration should advise the donor to comply with IRS Form 8283 reporting requirements for non-cash gifts (other than publicly traded securities) in excess of \$5,000 in value. The President should execute the donee acknowledgement section of Form 8283 and return it so that it can be filed with the donor’s federal income tax return. The President should note the appraised fair market value reported on the form by the donor and respond appropriately to any discrepancy or irregularity. **Note, however, that signing the form on behalf of the OTC Foundation as donee does not represent concurrence in the appraised value of the donated property.**
5. The OTC Foundation will not delay a subsequent sale of the gift property simply to avoid the IRS reporting requirement on Form 8283 for gift assets sold within two years of the date of the gift.

6. Finding funds to purchase valuable assets at a discount may be difficult for the OTC Foundation unless the College would be interested in the purchase as part of its normal course of business.

AUTHENTICATION (Signature):		COPP
_____	7/25/00	
President	(Date)	3.51