



Agency Policies and Procedures

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Page: 1 of 3

Gift Acceptance

Policy Objectives:

Agency policies and procedures for gift acceptance are designed to:

- Formalize the process of accepting gifts that are determined beneficial to obtaining the agency objectives,
- Allow for gifts (cash and non-cash) to be correctly identified and accounted for, and
- Allow for the donor to be acknowledged for their benevolence.

Background Information:

M.S. § 7.09 authorizes state agencies to receive gifts from any source. Agencies must receive approval from the state treasurer and, in some cases, the commissioner of Minnesota Management and Budget in order to accept a gift, unless a division has a specific statute for gift acceptance.

The timing and recognition of assets, liabilities, and expenses/expenditures resulting from nonexchange transactions should be recorded using the accrual basis of accounting. However, for revenue recognition to occur using the accrual basis, revenue must be realized and available.

In a nonexchange transaction, a government (including the federal government, as a provider) either gives value (benefit) to another party without directly receiving equal value in exchange, or receives value (benefit) from another party without directly giving equal value in exchange. Examples of voluntary nonexchange transactions include certain grants, certain entitlements, and donations by nongovernment entities, including individuals (private donations).

Authority:

- **Minnesota Statutes**

- **M.S. § 16B.27, subd. 5 Gifts** – This statute specifies the acceptance of gifts by the council for the governor's residence.

- **M.S. § 16B.88, subd. 3 Money** – This statute authorizes the director of the office of citizenship and volunteer services to accept and disburse gifts.

- **M.S. § 7.09 Gifts** – This statute authorizes the state treasurer to receive and accept, on behalf of the state, any gift, bequest, devise, or endowment for the benefit of the state.

- **M.S. § 7.10 Administration of Gifts** – This statute provides specifications for the administration of gifts.

- **M.S. § 7.11 Investment of Gifts** – This statute provides for the handling of gifts as required by the terms of the gift to be invested.

- **M.S. § 7.12 Payment; Appropriation** – This statute specifies the depositing of gifts, bequests, devise, or endowments. It also specifies that disbursement of the gift, bequest, devise, or endowment in accordance with the terms of the donation.

M.S. § 10A.071 *Certain Gifts by Lobbyists and Principals Prohibited* – This statute provides limitations as to what gifts may be received by lobbyists and officials.

M.S. § 16A.72 (6) *Income Credited to General Fund; Exceptions* – This statute requires all income to be credited to the general fund unless specifically exempted.

M.S. § 43A.38, subd. 2 *Acceptance of Gifts; Favors* – specifies the state's code of ethics for employees in the executive branch prohibits the acceptance of gifts, compensation, rewards, gratuity, etc.

Business Risks:

Noncompliance with established principles for gift acceptance increases the likelihood for:

- Misuse of funds, and/or
- Mistrust by the public.

Policies and Procedures:

1. Division Responsibilities

A. Initial Notification

1. Inform the Financial Management and Reporting (FMR) Division when gifts are anticipated.
2. Work with the FMR Division when questions on cash gifts and non-cash gifts arise.

B. Deposit of Cash Gift

1. Upon receipt of a cash gift, fill out form FI-00515, *Cash Receipts*.
2. Enter cash receipt into Minnesota Accounting and Procurement System (MAPS). Specific input instructions are found in MAPS Operations Manual Policy and Procedures 0602-03, *Recording and Depositing Receipts*.
3. Deposit cash and/or checks with the State Treasurer's Office.

C. Acceptance of Cash Gift or Non-Cash Gift

1. Once a gift is received and determined to be a benefit to the state and conforms to the objectives, form FI-00533, *Gift Acceptance*, must be completed.
2. Gifts under \$10,000 require signatures on the gift acceptance form from the agency commissioner and/or their designee (specific statutory authority) and the state treasurer.
3. Gifts over \$10,000 require signatures on the gift acceptance form from the agency commissioner and/or their designee (specific statutory authority), executive budget officer, commissioner of Minnesota Management and Budget and the state treasurer.
4. For gifts other than cash (tangible items: for example, vehicles, sandbags, etc.), use the estimated or appraised value of the item to determine the level of approval. Gifts of fixed assets must be tracked following the procedures for fixed assets (FMR-1G-01).

D. Acknowledgement of Cash Gift or Non-Cash Gift

1. The division will send a copy of form FI-00533, *Gift Acceptance*, and/or a letter to the donor acknowledging the amount of cash, or non-cash gift donated.
2. The division must keep original gift acceptance form in their files.

E. Personal Gift

Refer to Admin Human Resources Division Policy and Procedures G-2, *Code of Ethics/Conflict of Interest*.

2. The FMR Division Responsibilities

A. Cash Gift

1. Upon notification of an anticipated cash gift, assure appropriation in the 690 fund or internal service fund is available.
2. Set up revenue budget(s) using revenue source code(s) 8260 restricted, 8261 unrestricted, and 8000 interest for the 690 fund.
3. Inform the Department of Minnesota Management and Budget of the new interest earning account.
4. Cash gifts for internal service funds are recorded as a debit to cash, and a credit to contributed capital - donations.

B. Non-Cash Gift for Internal Service Funds

1. Non-cash gifts for internal service funds are recorded as a debit to an asset account, and a credit to contributed capital – donations.

Forms:

MMB Forms:

[FI-00533, Gift Acceptance](#)

[FI-00515, Cash Receipts](#)

See Also:

[Admin Human Resources Division Policy and Procedures G-2, Code of Ethics/Conflict of Interest](#)

[Maps Operations Manual Policy and Procedures 0602-12, Gift Acceptance](#)

[Maps Operations Manual Policy and Procedures 0602-03, Recording and Depositing Receipts](#)

[FMR-1G-01, Fixed Asset Inventory Management](#)