

1. Equipment Purchased for EWVC&TC Units

The Foundation purchases equipment for EWVC&TC units out of private funds contributed to the Foundation. The Foundation provides a period listing of such purchases to the Business Office. The purchased equipment is capitalized on EWVC&TC's books in accordance with EWVC&TC's capitalization policy and is also reported as Donated Equipment Revenue.

2. Gifts-In-Kind (Donated Assets)

Gifts-in-kind are gifts of physical property intended for use by the institution in its educational or research programs. Examples of gifts-in-kind include artworks, books, equipment, antiques, coin collections, historical documents and furnishings. Such gifts are made directly to the Foundation for the use and benefit of EWVC&TC. The Foundation transfers such gifts-in-kind to the college that are then tagged and recorded as part of the College's inventory in accordance with EWVC&TC's capitalization policy. The Foundation provides a comprehensive list and related documentation for such gifts-in-kind to EWVC&TC. Gifts-in-kind are recorded on EWVC&TC's books at their fair market value, usually estimated by the donors. Fair market value is defined as the amount that a willing purchaser would pay in the normal market. Gifts-in-kind are capitalized on EWVC&TC's books in accordance with EWVC&TC's capitalization policy and are also reported as Donated Equipment Revenue.

3. Third Party Reimbursement of Expenses Charged to a College Account

If an asset, as defined under EWVC&TC's capitalization policy, is purchased, constructed or capital improvements are made by a EWVC&TC unit and an outside party reimburses all or some portion of the purchase price/construction or improvement costs, an asset should be recorded on EWVC&TC's books at the full cost or fair market value and contribution revenue should be recorded for the full value received from the outside party.

The Foundation reimburses EWVC&TC for certain expenses initially paid by the College. Such reimbursement occurs through the use of Foundation billing accounts. When expenditure is incurred, it is recorded as an expense on EWVC&TC's books. When reimbursement is received from the Foundation, it is recorded as contribution revenue.

It should be noted that a gift should not be recorded as a credit to expense (expenditure reduction). This understates both the amount of the actual expense and the amount of total gifts to the College.

The exception to this rule is the occasion when the College incurs certain expenses on behalf of the Foundation (the College purchases materials that the Foundation will utilize for its operations and the Foundation reimburses the

College for the purchases). In this case the reimbursement is recorded as a credit to expense (expenditure reduction).