

Gifts Designated to Support Plant

When to use this tool:

- ❖ To understand the use of different fund groups related to plant-designated gifts.
- ❖ A new plant gift project needs to be established.
- ❖ To determine which fund category a plant gift falls under.

Getting Started:

1. Schools and units can use this guide to learn more about plant-designated gifts.
2. Determine if your gift is plant-related using the [plant questionnaire](#).
3. Reference the [capitalization policy](#) for additional details and examples of plant expenditures.

What is a plant gift?

A plant gift is a voluntary and unconditional transfer of cash or other assets to an independent not-for-profit entity in which there is no commitment of resources or services. Unlike other expendable gifts, the donor has specified that this gift be used to support capital and non-capital plant expenditures.

Common types of plant expenditures are:

- Equipment
- Buildings & Building Improvements
- Leasehold Improvements
- Land & Land Improvements

The differences between capital and non-capital expenditures are:

	Capital (812)	Non-Capital (820)
Equipment		
Asset Life	Useful life greater than one year	Useful life less than one year
Dollar Threshold	Cost of \$5,000 or more	Cost less than \$5,000
Buildings and Land		
Asset Life	Useful life greater than 1 year or extends useful life of asset	Useful life less than 1 year or has no impact to useful life of asset
Dollar Threshold	Costs of \$100,000 or greater	Costs of \$50,000 or greater
Examples	<ul style="list-style-type: none"> • Renovation of entire building or major section of building • Replacement of an entire roof • Resurfacing an entire parking lot • Replacement of building system (HVAC) 	<ul style="list-style-type: none"> • Repainting (exterior or interior) of existing buildings • Repairs and cleaning of roof • Restriping, or repairing a portion of, a parking lot • Routine repairs/maintenance of building system (HVAC)

Take note of language such as “renovation,” “building,” or “improvement” as these will indicate plant-related expenditures. “Maintenance and operations” may not be related to plant (capital and non-capital). Please contact [Accounting Services](#) for assistance on determination.

Northwestern

How is plant gift revenue recognized within the general ledger?

All gifts, regardless of purpose, must first be recognized via the donor management system, [CATracks](#). Gift revenue for plant-related activity will be placed in either fund 320, 420, 812, or 820. Accounting Services will review and approve the fund for new projects during the Chartfield project request.

For more information about processes and contacts, please review the [guide for receiving gifts](#).

Plant gift revenue can be recognized in several fund groups:

320 – Gifts without donor restriction

If a donor gives an expendable gift, Northwestern may elect how to spend this gift within any applicable designations. Gifts without donor restriction may include a recognition opportunity for naming rights, but this does not create an obligation for Northwestern University to use the gift to support plant expenses.

Plant expenditures are not directly expensed to this fund. If Northwestern elects to support plant expenditures from gifts, the assets must be transferred into the corresponding plant chart string (812/820) using transfer codes (88xxx). This helps to capture the capitalization of plant expenditures.

To request a new project, please follow the instructions noted [here](#).

420 – Endowed gifts with donor restriction

Northwestern exclusively allows building funds for Fraternities and Sororities to be invested in the short term money market pool. The funds earn minimal investment, similar to that of a savings account. These funds support ad hoc expenditures related to small plant expenditures, similar to a rainy day fund. These funds are not intended support large capital projects (812) over \$100,000.

To apply plant expenses to a 420 project, please contact the [Gift and Endowment Accountant](#). Expenses should not be directly journaled to these projects without assistance from Accounting Services.

For assistance with creating new funds, please contact [Gift Acceptance and Fund Management](#).

812 – Capital Plant Construction

A project may be considered capital when the estimated total project costs exceed \$100,000 and either:

- Significantly changes the structure to increase the building's usefulness or efficiency OR
- Improves an asset beyond its original services potential (betterments) OR
- Replaces, renews, or substitutes a current asset for a better one

Expenses can be directly applied to these chart strings. For more information, please reference the [capitalization policy](#).

The [Property Accountant](#) will confirm determination of non-capital or capital designations or if projects are already established. To request a new project or update budgets, please reach out to your school or unit's [budget analyst](#) to determine next steps and start any necessary [resource planning](#) approvals.

820 – Non-Capital Plant Construction

Non-capital projects maintain the existing level of service of the asset such as normal repairs, carpeting, and repainting. Expenses can be directly applied to these chart strings.

The [Property Accountant](#) will confirm determination of non-capital or capital designations or if projects are already established. To request a new project or update budgets, please reach out to your school or unit's [budget analyst](#) to determine next steps and start any necessary [resource planning](#) approvals.