

1. TIME AND GOODS DONATION FORM

2. PROFESSIONAL TIME DONATED

3. FULL NAME OF PROFESSIONAL

4.

5. FIRST (NAME)

6.

7. LAST (NAME)

8.

9. DATE(S) OF (PROFESSIONAL TIME)

10.

11. HOURLY PROFESSIONAL PAY (OF PROFESSIONAL TIME, ENTER HOURLY RATE)

12.

13. TOTAL NUMBER OF HOURS (REPORTED ON THIS FORM)

14.

15. TOTAL NUMBER OF (CONTRIBUTED) HOURS (REPORTED ON THIS FORM)

16.

| |
|--|
| 1216.1 FOR OFFICIAL USE ONLY, NAME _____, TITLE _____ |
| 1216.2 ____ HOURLY RATE |
| 1216.3 ____ TOTAL, , HOURS |
| 1216.4 ____ TOTAL , , CONTRIBUTED HOURS |
| 1216.5 ____ TOTAL , , BILLABLE (HOURS-CONTRIBUTED HOURS)XHOURLY RATE |

17. NAME OF CHARITABLE AGENCY SERVED

18.

19. AGENCY MAIN ADDRESS:

20.

21. STREET ADDRESS

22.

23. ADDRESS LINE 2

24.

25. CITY

26.

27. STATE / PROVINCE / REGION

28.

29. ZIP / POSTAL CODE

30.

31. ADDRESS WHERE SERVICES WERE PROVIDED

32.

33. STREET ADDRESS

34.

35. ADDRESS LINE 2

36.

37. CITY

38.

39. STATE / PROVINCE / REGION

40.

41. ZIP / POSTAL CODE

42.

43. NAME OF MAIN CONTACT

44.

45. FIRST

46.

47. LAST

48.

49. CELL OF MAIN CONTACT

50.

51. EMAIL OF AGENCY CONTACT

52.

53. TOTAL ESTIMATE OF TIME CONTRIBUTION

54.

55. TANGIBLE GOODS DONATED

56.

57. (PLEASE COMPLETE A SEPARATE FORM IF THE RECIPIENT IS A DIFFERENT CHARITABLE AGENCY).

58.

59. DATE OF CONTRIBUTION

60.

61. DESCRIPTION OF GOODS

62.

63. REAL OR ESTIMATED VALUE OF GOODS

64.

65. (IS THIS THE) ACTUAL VALUE

66.

67. (IS THIS THE) APPRAISED VALUE

68.

69. (IS THIS THE) OTHER (VALUE)

70.

71. WHO MADE THE DETERMINATION OF VALUE AND HOW

72.

73. PLEASE ATTACH A (FILE OR) PICTURE OF THE DONATION

74.

75. TOTAL ESTIMATE OF GOODS CONTRIBUTION

76.

77. TOTAL

78.

79. (THIS FORM IS A LINE NUMBERED MODIFICATION OF THE 2020 RESOURCE ASSOCIATES), COPYRIGHT © 2020
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80.

81. (DEPARTMENTS)

82.

83. ARTICLES (BOARD, EDITORS, PUBLISHERS, RESEARCH, REVIEWERS)

84.

85. (GRAPHIC ARTS, OUTREACH) VIDEOS

86.

87. (FINANCE AND ADMINISTRATIVE) ACCOUNTING AND BOOKKEEPING, AUDIT, FINANCIAL MANAGEMENT

88.

89. (FINANCE AND ADMINISTRATIVE, NON PROFIT) TAX AND INFORMATION FILINGS

90.

91. GOVERNANCE (I.E. CORPORATE JURISPRUDENCE)

92.

93. (WORLD WIDE WEB) SITE (I.E. SPONSOR)

94.

95. "(NOTE: ARTICLES PUBLISHED BEFORE JANUARY 1, 2017 MAY BE OUT OF DATE. WE ARE IN THE PROCESS OF UPDATING THIS CONTENT). POSTED: APRIL 1, 2010, AUTHOR: BENNETT M. WEINER, COO, BBB WISE GIVING ALLIANCE, TOPICS: FEDERAL TAX ISSUES
96. DURING THIS DOWN ECONOMY, THE DONATION OF GOODS AND SERVICES ARE GETTING MORE ATTENTION AS MANY HOUSEHOLDS TURN TO SUCH GIFTS AS AN ALTERNATIVE MEANS OF PROVIDING SUPPORT FOR VARIOUS CAUSES. SOME NONPROFIT ORGANIZATIONS, HOWEVER, RELY ON SUCH GIFTS AS A ROUTINE PART OF THEIR CONTRIBUTION ACTIVITIES.
97. WHETHER OR NOT DONATED GOODS AND/OR SERVICES ARE A LARGE OR SMALL PART OF CONTRIBUTED REVENUE, ORGANIZATIONS NEED TO KNOW HOW TO PROPERLY VALUE THESE CONTRIBUTIONS IN THEIR FINANCIAL STATEMENTS. THIS VALUATION WILL LIKELY GET MORE SCRUTINY AS 2009 FINANCIAL STATEMENTS ARE PREPARED SINCE STATEMENT OF FINANCIAL ACCOUNTING STANDARDS (SFAS) 157, FAIR VALUE MEASUREMENTS, GOES INTO EFFECT FOR NONFINANCIAL ASSETS AND LIABILITIES (FOR FISCAL YEARS BEGINNING AFTER 11/15/2008.)
98. THIS BRIEF ARTICLE IS NOT INTENDED TO PROVIDE A DETAILED "HOW TO" IN ACCOUNTING FOR DONATED GOODS AND SERVICES BUT WILL SOLELY SEEK TO HIGHLIGHT SOME OF THE FUNDAMENTALS.
99. FAIR VALUE MEASUREMENTS
100. ONE OF THE PRIMARY ISSUES FOR DONATED GOODS (GIFTS-IN-KIND OR GIK) IS HOW TO PROPERLY VALUE THEM IN NONPROFIT FINANCIAL STATEMENTS. PRIOR TO THE RELEASE OF SFAS 157, THERE WERE DIFFERENT DEFINITIONS OF FAIR VALUE AND LIMITED GUIDANCE IN APPLYING THIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP.) SFAS 157 NOW DEFINES FAIR VALUE AS "THE PRICE THAT WOULD BE RECEIVED TO SELL AN ASSET OR PAID TO TRANSFER A LIABILITY IN AN ORDERLY TRANSACTION BETWEEN MARKET PARTICIPANTS AT THE MEASUREMENT DATE."
101. ONE OF THE KEY CONCEPTS IN THIS ACCOUNTING GUIDANCE IS WHAT IS KNOWN AS THE CONCEPT OF "EXIT PRICE." FOR EXAMPLE, IF A CHARITY RECEIVED DONATED OFFICE FURNITURE FROM A BUSINESS AND DECIDED NOT TO KEEP IT, HOW MUCH WOULD IT BE ABLE TO GET FOR THE USED FURNITURE IF IT SOLD IT, AS IS, AT THE TIME THE CHARITY RECEIVED THE GIFT?
102. IN IDENTIFYING THIS "EXIT PRICE" VALUE, ACCOUNTING GUIDANCE REQUIRES THAT THE RECIPIENT CHARITY SHOULD CONSIDER THE MARKET THAT WOULD BE MOST ADVANTAGEOUS FOR THE ASSET. IN OTHER WORDS, FOR THE MARKETS THAT WERE AVAILABLE TO THE CHARITY, IT WOULD NEED TO IDENTIFY THE MARKET WHERE IT WOULD GET THE BEST PRICE FOR THE ITEMS. FOR THE USED FURNITURE EXAMPLE, IF BECAUSE OF THE VOLUME AND CONDITION OF THE ITEMS THE ORGANIZATION COULD NOT SELL THEM TO USERS DIRECTLY, THE BEST MARKET COULD BE THE PRICE THAT A USED FURNITURE OUTLET STORE WOULD PAY AN OFFICE FOR SUCH ITEMS.
103. IN MOST DONATED GOODS CIRCUMSTANCES, HOWEVER, THE CHARITY IS LIKELY TO RECEIVE BULK QUANTITIES OF THE DONATED ITEMS (FOR EXAMPLE, MANUFACTURERS AND/OR RETAILERS DONATING CANNED FOODS, NEW CHILDREN'S TOYS, NEW BLANKETS, ETC.) AND AS A RESULT, THE RECIPIENT CHARITY WILL USE WHOLESALE VALUES FOR THE ITEMS RECEIVED.
104. THERE IS A FAIR VALUE HIERARCHY WHICH SEEKS TO HELP ORGANIZATIONS "MAXIMIZE THE USE OF OBSERVABLE INPUTS AND MINIMIZE THE USE OF UNOBSERVABLE INPUTS." SFAS 157 RANKS THESE INTO THREE LEVELS WITH LEVEL 1 (MOST PREFERRED) AND LEVEL 3 (LEAST PREFERRED.)
105. LEVEL 1 WOULD BE "QUOTED PRICES...IN ACTIVE MARKETS FOR IDENTICAL ASSETS... THAT THE REPORTING ENTITY HAS THE ABILITY TO ACCESS AS OF THE MEASUREMENT DATE."
106. LEVEL 2 WOULD BE OTHER OBSERVABLE MARKET DATA. FOR NONPROFITS, THIS WOULD BE REFERRED TO AS A "LIKE-KIND" VALUATION. FOR EXAMPLE, IF A BUILDING WERE DONATED, THE VALUE MAY BE THE PRICE PER SQUARE FOOT FOR SIMILAR BUILDINGS IN SIMILAR LOCATIONS. DATA FROM A NUMBER OF MARKETS WOULD NEED TO BE OBTAINED, NOT JUST A SINGLE EXAMPLE.
107. LEVEL 3 WOULD BE "UNOBSERVABLE" INPUTS FOR THE ASSET. FOR EXAMPLE, THE FAIR VALUE AS IDENTIFIED BY THE DONOR.
108. NONPROFITS ARE MORE LIKELY TO RUN INTO CIRCUMSTANCES INVOLVING A LEVEL 2 TYPE OF VALUATION RATHER THAN A LEVEL 1. ONE REASON FOR THIS IS THE NONPROFIT ORGANIZATION WILL PROBABLY NOT HAVE THE ABILITY TO ACCESS THE TYPE OF MARKETS THAT A MANUFACTURER WOULD. THE MAIN POINT IN THIS NEW GUIDANCE IS THAT IN THE PAST, NONPROFIT ORGANIZATIONS HAD A TENDENCY TO RELY TOO HEAVILY ON THE DONATING COMPANY TO VALUE THE GIK CONTRIBUTION. NOW THEY WILL NEED TO DO THEIR OWN HOMEWORK IN OBTAINING VERIFIABLE MARKET DATA.
109. AND, THERE ARE MANY OTHER CONSIDERATIONS TO TAKE INTO ACCOUNT. FOR EXAMPLE, DEFECTIVE LABELS ON AN ITEM COULD SIGNIFICANTLY LOWER THE CLAIMED VALUE TO FAR BELOW WHOLESALE TO WHAT IT MIGHT SELL FOR IN A THRIFT STORE.

110. DONATION OR EXCHANGE TRANSACTION?

111. AS DEFINED IN SFAS NO. 116, A CONTRIBUTION IS AN UNCONDITIONAL AND NONRECIPROCAL TRANSFER OF CASH OR OTHER ASSETS FROM ONE ENTITY TO ANOTHER. IN OTHER WORDS, SOMEONE IS MAKING A DONATION TO AN ORGANIZATION WITHOUT THE EXPECTATION OF RECEIVING ANYTHING IN RETURN BESIDES A POSSIBLE TAX DEDUCTION IF THE RECIPIENT NONPROFIT IS A CHARITY. SO, FOR EXAMPLE, A BUSINESS DONATES USED OFFICE FURNITURE TO THE HEADQUARTERS OF A SYMPHONY ORCHESTRA TO USE AS THEY WISH.

112. IN CONTRAST, AN EXCHANGE TRANSACTION IS A RECIPROCAL TRANSFER BETWEEN TWO ENTITIES WHERE EACH PARTY RECEIVES SOMETHING OF APPROXIMATELY EQUAL VALUE. SO, USING THE SAME EXAMPLE CITED ABOVE: A BUSINESS DONATES USED OFFICE FURNITURE (WITH A FAIR VALUE OF \$800) TO THE HEADQUARTERS OF A SYMPHONY ORCHESTRA AND IN EXCHANGE THE ORCHESTRA GIVES THE BUSINESS 4 SEASON TICKETS (TICKETS VALUED AT \$200 EACH) TO THE ORCHESTRA'S UPCOMING PERFORMANCES.

113. IT IS ALSO POSSIBLE THAT AN ITEM COULD BE A PARTIAL DONATION AND A PARTIAL EXCHANGE TRANSACTION. USING THE EXAMPLE MENTIONED EARLIER, A BUSINESS DONATES USED OFFICE FURNITURE (WITH A FAIR VALUE OF \$800) TO THE HEADQUARTERS OF A SYMPHONY ORCHESTRA AND IN EXCHANGE THE ORCHESTRA GIVES THE BUSINESS ONLY 2 SEASON TICKETS (TICKETS VALUED AT \$200 EACH.) IN THIS INSTANCE, OF THE \$800 OF VALUE, HALF OF IT (\$400) WOULD BE A CONTRIBUTION AND THE OTHER HALF (\$400) WOULD BE AN EXCHANGE TRANSACTION.

114. SEE CHAPTER 5 OF THE AICPA AUDIT AND ACCOUNTING GUIDE FOR NOT-FOR-PROFIT ENTITIES FOR MORE INFORMATION ON DISTINGUISHING BETWEEN DONATIONS AND EXCHANGE TRANSACTIONS.

115. WHAT IF MORE THAN ONE NONPROFIT ORGANIZATION IS INVOLVED?

116. IN SOME INSTANCES, DONATED GOODS MAY BE CONTRIBUTED BY A MANUFACTURER AND/OR RETAILER TO ONE CHARITY (THE RECIPIENT ORGANIZATION), BUT THAT CHARITY MAY BE JUST THE BEGINNING OF THE ITEMS JOURNEY BEFORE IT IS USED BY THOSE IN NEED.

117. IN PAST YEARS, ACCOUNTING CONTROVERSIES HAVE OCCURRED WHERE ITEMS ARE PASSED ON FROM ONE CHARITY TO ANOTHER, LIKE A NONPROFIT VERSION OF THE "HOT POTATO" CHILDREN'S GAME WITH EACH ORGANIZATION IN THE CHAIN RECOGNIZING THE ITEMS AS PART OF THEIR CONTRIBUTED REVENUE AND PROGRAM EXPENSE.

118. IN GENERAL, GAAP PERMITS TWO NONPROFIT ORGANIZATIONS TO RECOGNIZE THE DONATION IN THEIR FINANCIAL STATEMENTS: (1) THE RECIPIENT CHARITY AND (2) THE END USER ORGANIZATION WHICH IS EITHER MAKING DIRECT USE OF THE ITEM OR DISTRIBUTING IT TO THOSE IN NEED. THIS RELATIONSHIP MAY BE A NECESSITY WHEN, FOR EXAMPLE, THE RECIPIENT CHARITY MAY NOT HAVE DIRECT ACCESS TO THE INDIVIDUALS WHO CAN USE THE DONATION AND WORKS WITH ANOTHER ORGANIZATION WHO DOES.

119. IF THERE IS A "MONKEY IN THE MIDDLE" THAT IS SIMPLY JUST PASSING ALONG OR TRANSPORTING THE DONATED ITEMS TO ANOTHER NONPROFIT ORGANIZATION, THE MIDDLE GROUP WILL NOT BE ABLE TO RECOGNIZE THE FAIR VALUE OF THE ITEM AS PART OF ITS CONTRIBUTIONS REVENUE. IT COULD RECOGNIZE THE TRANSPORTATION EXPENSE IN ITS FINANCIAL STATEMENTS, BUT NOT THE FAIR VALUE OF THE ITEMS THEMSELVES. THERE IS AN EXCEPTION TO THIS SCENARIO IF THE MIDDLE ORGANIZATION MADE SOME SIGNIFICANT OR MATERIAL IMPROVEMENT TO THE DONATED ITEMS THAT MADE THEM USABLE (FOR EXAMPLE, SORTING THROUGH AND RE-PACKAGING A TRUCKLOAD OF UNSORTED SOCKS) IT MIGHT BE ABLE RECOGNIZE THE FAIR VALUE OF THE DONATION.

120. ANOTHER KEY CONSIDERATION FOR A NONPROFIT ORGANIZATION'S RECOGNITION OF THE GIK CONTRIBUTION IS THE NOTION OF "VARIANCE" AUTHORITY. TO BE ABLE TO RECOGNIZE THE DONATION, THE NONPROFIT ORGANIZATION SHOULD HAVE THE ABILITY TO DECIDE WHAT IT DOES WITH THE ITEMS. IF A COMPANY PROVIDES A GIFT-IN-KIND DONATION TO ORGANIZATION A WITH THE EXPRESSED RESTRICTION THAT IT BE PASSED ALONG TO ORGANIZATION B, ORGANIZATION A DOES NOT HAVE VARIANCE AUTHORITY AND SHOULD NOT RECOGNIZE THE FAIR VALUE OF THE GIK DONATION AS PART OF ITS CONTRIBUTED REVENUE.

121. DONATED SERVICES

122. FOR A VARIETY OF REASONS, DONATED SERVICES DON'T GET MUCH SCRUTINY. IN PART, THIS IS DUE TO THE FACT THAT ALTHOUGH THE IRS FORM 990 ALLOWS DONATED GOODS TO BE INCLUDED AS PART OF CONTRIBUTIONS REVENUE, IT DOES NOT PERMIT THIS FOR DONATED SERVICES OR THE USE OF FACILITIES.

123. CONTRIBUTED SERVICES, HOWEVER, ARE A SIGNIFICANT ACTIVITY FOR MANY NONPROFIT ORGANIZATIONS AND GAAP REQUIRES THEIR RECOGNITION IN FINANCIAL STATEMENTS.

124. DONATED SERVICES AND PROMISES TO GIVE SERVICES ARE REQUIRED TO BE RECOGNIZED AS CONTRIBUTIONS REVENUE (AND AS ASSETS AND EXPENSES) IN AUDITED FINANCIAL STATEMENTS WHEN THEY MEET CERTAIN CRITERIA (SFAS 116.)

125. DONATED SERVICES CAN COVER A VARIETY OF NON-MATERIAL ASSISTANCE, SUCH AS,
126. PROVIDING LEGAL, ACCOUNTING, AND OTHER PROFESSIONAL SERVICES
127. DONATING OFFICE SPACE
128. DONATING FREE USE OF EQUIPMENT SUCH AS COMPUTERS
129. TO BE RECOGNIZED, THE CONTRIBUTED SERVICES MUST:
130. CREATE OR ENHANCE NONFINANCIAL ASSETS (E.G., CONSTRUCTING A BUILDING), OR
131. REQUIRE SPECIALIZED SKILLS, ARE PROVIDED BY INDIVIDUALS POSSESSING THOSE SKILLS (E.G., CARPENTERS, DOCTORS, AND ACCOUNTANTS) AND WOULD TYPICALLY NEED TO BE PURCHASED IF NOT PROVIDED BY DONATION.
132. IN ADDITION, IF AN AFFILIATED ORGANIZATION IS PROVIDING DONATED SERVICES (SUCH AS ACCOUNTING, INFORMATION TECHNOLOGY AND ADMINISTRATIVE SERVICES) THAT MEET THE ABOVE CRITERIA, THESE SERVICES WOULD ALSO NEED TO BE RECOGNIZED AS CONTRIBUTIONS.

133. NOTE DISCLOSURES
134. FINANCIAL STATEMENTS SHOULD INCLUDE DISCLOSURES IN THE NOTES ABOUT BOTH DONATED GOODS AND SERVICES.
135. FOR GIFTS-IN-KIND, THE NOTES COULD IDENTIFY THE TYPE OF DONOR (GOVERNMENT, FOR PROFIT ENTITY, NONPROFIT ORGANIZATIONS, AND/OR INDIVIDUAL), THE NATURE OF GOODS RECEIVED, THE FAIR VALUE FOR EACH AND VALUATION METHOD USED. A SEPARATE NOTE OR PARAGRAPH COULD IDENTIFY HOW THESE GOODS WERE USED (DIRECTLY BY THE ORGANIZATION OR IN PARTNERSHIP WITH OTHER ORGANIZATIONS.) IN MOST CASES, GIFTS-IN-KIND ARE USED SOLELY FOR PROGRAM SERVICE ACTIVITIES BUT IF ITEMS ARE USED FOR FUND RAISING AND/OR MANAGEMENT AND GENERAL PURPOSES, THIS SHOULD BE IDENTIFIED.
136. FOR CONTRIBUTED SERVICES, THE NOTES COULD IDENTIFY THE NATURE OF THE SERVICES RECEIVED, THEIR FAIR VALUE, AND HOW THEY WERE USED (THE AMOUNT ALLOCATED TO PROGRAM SERVICES, MANAGEMENT AND GENERAL AND FUND RAISING EXPENSE CATEGORIES.)"
137. 27-2267541, EDUCATION FOUNDATION c/o JAMES CURTIS JR, PO Box 3126, W.D.C. 20010, 12027391962