

## In-Kind Contributions

### Recording In-Kind Contributions

- Maintain adequate documentation to support amounts claimed as match
- Maintain same documentation for both CNCS Federal share and for grantee's share
- Documentation must meet same standards as other expenditures within organization
- Record donation and valuation of item in detail
- Enter into the General Ledger as income and expenditure
  - Failure to enter match contributions into general ledger requires a formal explanatory policy and separate spread sheet accountability of receipt and use

#### Example:

A local paint store donates a professional paint sprayer with a fair market value of \$550.00

- \$550.00 – 7250 In-kind Expense account (debited)
- \$550.00 – account 5250 In-kind revenue Account (credit)

### Valuing In-Kind Contributions

- Use fair market price
- Consider what it would cost to obtain similar goods or services
- The donor must provide the value of the donation

The IRS defines **fair market value** as the price that item would sell for on the open market

- Review the donation letter or form to ensure the value is reasonable

### Documenting In-Kind Contributions

- Document the basis for determining value of personal services, material, equipment, building, and land
- Obtain written acknowledgement from the donor to include:
  - ✓ Name and signature of donor
  - ✓ Date and location of donation
  - ✓ Detailed description of item or service
  - ✓ Estimated value of contribution, how value was determined, who made the determination
  - ✓ Whether the contribution was obtained with Federal funds

\*\*\*Keep a copy of the receipts for your files. If audited grantees may be required to provide supporting documentation of ALL donations.