

IN-KIND DONATIONS

What Are In-Kind Donations And Contributions?

It's important to recognize that In-Kind contributions include **any non-cash donation**. The typical donation includes food, clothing, household items, hygiene items, etc.

In-Kind donations/contributions are **non-cash donations** in the form of **goods or services**. This can include any contribution that is labor, product, equipment, technical, consulting, training, materials, etc., or service* related for which the organization would normally have to pay.

InKind donations (non-cash donations) are critical in providing **gently used and new items** to be re-purposed to under-served **Hamilton County families** All donations are tax-deductible as allowed by law and are acknowledged with a donation receipt.

What Does GSN Do With In-Kind Donations?

- **Acceptance** - The types of In-Kind donations offered to a non-profit/charity varies widely. GSN has a clear policy outlining what types of In-Kind donations are accepted. An **Acceptable Donations** list is provided on our website (www.gsnlive.org). However, there are times we avoid accepting items that may burden the organization, and or be impractical to be repurposed to Hamilton County families. Also, see **Gift Acceptance Policy**.
- **Use** - The Executive Director is solely responsible for determining the final acceptance and/or use of In-Kind donations. This avoids conflict over the end use of any donation or gift. The majority of the time those donations are repurposed directly to Hamilton County families and or Network partners.

Why Is In-Kind Management Important?

- Almost every nonprofit has received some level of In-Kind support. Documented In-Kind contributions reflect significant support from the community, making the organization that much more attractive to the community as well as grantmakers.
- In-Kind contributions can be used to match government and private funds, and to leverage additional funding for the nonprofit.

Audits and Reporting

- Like cash Transactions (cash, check, card) donations, In-Kind donations must be reported as part of a charity's income for auditing and tax filing purposes. Typically, In-Kind donation values must be reported as part of an organization's annual gross receipts/receivables. Organizations with tax-exempt status are not required to pay taxes on donations.
- Donors are encouraged to seek legal/professional tax advice regarding all donations.

How Does GSN Receipt Donors?

- GSN documents all donations (In-Kind and Transactions) by utilizing a "Donation Receipt" completed by the donor, and/or a GSN volunteer or staff member.
- All Donor Receipts, and or related packing slips, will be signed by the person donating the goods, product, or service for the individual or organization.
- We provide receipt options to all donors.
- Each In-Kind Donation Receipt notes: name and signature of the donor; date and location of the donation; description of item or service, and the estimated value.
- Hard copies and/or digital copies of donor receipts are securely filed for 10 years as part of our document retention policy.

What Is Considered Reasonable Value?

- According to the Internal Revenue Service, all In-Kind donations should be assessed at their current fair market values (FMV).
- Donors are asked to provide their fair market value amount when completing a Donation Receipt.
- Often, we utilize the internet to determine the value of certain donations, but primarily we have created a valuation chart (based on Goodwill and Salvation Army) so that when a donor does not specify a donated value amount we can support them in making a fair market value determination.
- If you have questions about FMV - we recommend you view "Publication 561 (02/2020)" - Determining the Value of Donated Property prepared by the IRS.

What Is The Donation Tracking and Posting Policy?

- Each GSN donor will have a "donor record" which includes at least the last four years of donations along with complete contact information and preferences. Digital storage of donation records may also be created for additional donor record reference (based on the age of donation).
- The GSN staff and volunteer support staff are responsible for posting completed Donation Receipts.
- In-Kind donations/contributions are entered into our donor management software as quickly as possible depending on the volume of donations and the availability of volunteer support staff, etc.
- Our donor management system allows us to track all contributions (In-Kind and Transactions) based on a completed Donation Receipt. This means either the donor or GSN determines the value of In-Kind contributions - goods and services.
- We request itemized donation receipts with clear/legible detailed contact information.
- If donations are picked up the transportation team/driver will provide a Donation Receipt to be completed on-site and returned to the transportation team/driver for posting.
- Some collection processes may forgo acknowledgments and receipts, such as the collection of shoes or toys (in a box at a church, etc.). However, GSN still posts that donation and its assessed value.

- In-Kind receipts are sent to donors who provide a valid email as each donation is posted. Donors should retain these receipts for their taxable records as they are emailed since no further receipts will be issued.
- Note: A complete Year-End Statement / Tax Summary will be provided within thirty days after the current tax year ends for transaction donors who provide a valid email. The summary is based on each financial transaction/donation (cash, check, card). This is not the same as In-Kind.

What's The Policy For Acknowledging Donations?

- All In-Kind donations are posted on behalf of our donors no matter what the amount.
 - Legally all donations over \$250 in value require a receipt. We choose to provide a receipt option for all donations.
 - Legally all donations \$5,000 and over requires donor contact information and cannot be anonymous.
- Donors making donations with a **VALID EMAIL** will receive an immediate receipt for each individual donation based on the Donation Receipt date, even though the actual posting date may be different.
- If you unsubscribe and remove your email from GSN donor management, future donations will not be receipted.
- All In-Kind donors who require a receipt will need to provide a valid email and in doing so will receive one receipt for each donation/date. Donors should retain these receipts for their taxable records as they are emailed since no further receipts will be issued.
- No In-Kind receipt will be mailed.
- All In-Kind donors who do not have an email will be provided a "blank" Donation Receipt and they will be responsible to complete their information and use that receipt/copy for tax purposes. Please retain these receipts - no further receipts will be issued.

Donor Bill Of Rights

Charity is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that generosity merits the confidence, respect, and trust of the general public, donors, and prospective donors in the Good Samaritan Network and what causes our donors are asked to support, we declare that all donors have rights.

Please visit our website for a current: **Donors Bill of Rights** (www.gsnlive.org).

Recommended In-Kind Donation Ideas

IF DONATIONS ARE GENTLY USED THEY SHOULD BE UNDAMAGED/UNSOILED ITEMS.

- ▶ NEW AND GENTLY USED CLOTHING, COATS, SHOES, AND BOOTS (CHILDREN/YOUTH/ADULT)
- ▶ NEED: NEW AND GENTLY USED TOYS (INFANTS/CHILDREN/YOUTH)
- ▶ NEED: BABY SUPPLIES (DIAPERS, WIPES, CLOTHING, CRIB, ETC.)
- ▶ NEW AND GENTLY USED BICYCLES (CHILDREN/YOUTH/ADULT)
- ▶ NEED: HOUSEHOLD PAPER SUPPLIES (FACIAL/TOILET TISSUE, TOWELING, NAPKINS, UTENSILS, PAPER PLATES, ETC.)
- ▶ NEW AND GENTLY USED HOUSEHOLD ITEMS (TOWELS, WASHCLOTHS, BEDDING, DISHES, GLASSWARE, KITCHEN UTENSILS, LAMPS, AND SMALL APPLIANCES, ETC.)
- ▶ REHAB EQUIPMENT – NEW OR GENTLY USED ONLY
- ▶ HYGIENE SUPPLIES - UNUSED/UNOPENED – (DEODORANT, TOOTHPASTE, TOOTHBRUSHES, SHAMPOO, SOAP, ETC.)
- ▶ EMERGENCY SUPPLIES (BATTERIES, FLASHLIGHTS, CAN OPENER, PLASTIC UTENSILS, PLATES, NAPKINS, WET WIPES, ETC.)
- ▶ GIFT CARDS (SHOE STORES, MEIJER, WALMART, MARSH, GAS CARDS, ETC.)
- ▶ SCHOOL SUPPLIES (SHOES, PENS, PENCILS, FOLDERS, BINDERS, ETC.)

Visit our website (www.gsnlive.org) **DONATIONS** page for the most current listing of "In-Kind Donations Items" and "Non-Acceptable Items" as well as suggestions for various donations specific to our Holiday Assistance program. You can also see our "Donor's Bill of Rights" on that page.

"Another example: A corporation that lends its executives' expertise to a nonprofit has provided In-Kind support. Likewise, meetings held in donated spaces; volunteers or interns who work for an organization; corporations, or municipalities that donate supplies for projects; and landlords who donate space or discount rent are all among the non-cash transactions that qualify as In-Kind contributions. This type of In-Kind contribution should always be confirmed with legal professionals.

***The basic rule is that you may deduct no more than the property's "fair market value" at the time of the donation. But fair market value can be a tricky thing. For IRS purposes, it means the amount that a "willing buyer would pay and a willing seller would accept for the property when neither party is compelled to buy or sell, and both parties have a reasonable knowledge of the relevant facts." In other words, it's a fair price—not too high and not too low.*