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***DOCUMENTING EXPENSES &  
IN-KIND CONTRIBUTIONS***

# Donations that Aren't Dollars: In Kind Contributions



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## ■ Session Objectives

### **Have participants understand:**

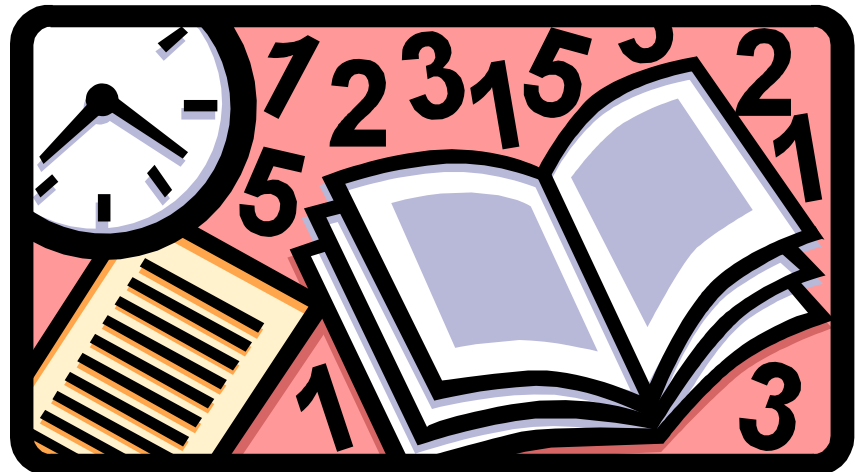
- Implication of in-kind contributions as related to CNCS grant matching requirement
- Methods of valuing in-kind goods and services

### **Have participants review:**

- Examples of in-kind contributions
- Documentation requirements for in-kind contributions

# Determination of Acceptability of Costs

- Conditions in award letter
- Provisions
- OMB Circulars
- Program Applicability
  - Allocable
  - Allowable
  - Reasonable
  - Necessary





# Documentation

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- Ensure grantees maintain adequate documentation to ensure that costs are allowed
- Documentation requirements are for BOTH CNCS and Grantee share
- Documentation should ensure that costs are:
  - Reasonable and allocable
  - Confirm to grant/contract limitation
  - Treated consistently
  - Determine in accordance with Generally Accepted Accounting Principles (GAAP)
  - Not included as cost or match for other federally-funded program



# Matching

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- Match:

- Must be verifiable from recipient records
- Must not be included as contribution for other federally-assisted program
- Must be necessary and reasonable for accomplishing program objectives
- Must be allowable according to cost principles (OMB Circulars)



# AmeriCorps Match Requirements

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- **Match percentages should be calculated from the FSR**
  - Section II - Member support should be calculated every quarter, match must be 15% cash at minimum
  - Section I & III - Operating expenses are 33 % at minimum



# Learn & Serve Match Requirements

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- K-12
  - 1st Year - 10% of total funds
  - 2nd Year - 20% of total funds
  - 3rd Year - 30% of total funds
  - 4th Year and after - 50% of total funds
- Higher Ed - 50% of total funds



# Senior Corps Match Requirements

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- Retired Senior Volunteer Program (RSVP)
  - 1st Year - 10% of total funds
  - 2nd Year - 20% of total funds
  - 3rd Year and after - 30% of total funds
- Foster Grandparents and Senior Companion Program
  - 10% of total funds
  - Volunteer support should not exceed 20% of total funds



# Recording and Reporting In-Kind Contributions



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- Documentation of In-kind contributions - same standards as other expenditures
- Documentation for In-Kind contributions must record donation and valuation of item.
- In-kind contributions should be entered into the general ledger and other reports submitted to the Corporation in order to be recognized as match
- Included in Financial Status Report submitted to the Corporation to be recognized as match

# Valuation of In-Kind Services

Fair market value

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What-would-you-pay-if-it-was-not-donated?





# Documenting In-Kind Contributions Received

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Document the basis for determining the value of personal services, material equipment, building, and land. Obtain acknowledgement of the contribution which should include:

- \* Name of donor
- \* Date and Location of donation
- \* Description of item/service
- \* Estimated value

**Keep a copy of the receipt in your files.**

# The ABCD Tutoring Program

1299 N Main Street, Suite 110, Great City, Good State 00000-1234, (800) 555-1212, Fax 321-1234

## In-Kind Contribution Form

Date of Contribution	Description of Contributed Item(s) or Service	Purpose for Which Contribution Was Made	Real or Approximate Value of Contribution	How Was Value Determined? (i.e. Actual, appraisal, fair market value)	Who Made This Value Determination?	Was Contribution Obtained With or Supported By Federal Funds? (If so, indicate source)

Name of Contributing Organization/Agency/Business/Individual: \_\_\_\_\_

Address of Above Contributor: \_\_\_\_\_ Phone #: \_\_\_\_\_

Printed/Typed Name of Contributor's Authorized Signee: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Authorized Signee: \_\_\_\_\_ Date: \_\_\_\_\_

# In-kind Donation Documentation

- Donations, Letters / statements of costs that show the type of donation, value, and frequency
- Time and Effort Forms or others that show contribution of time to program by staff working on program
- In Kind Receipt/Voucher Forms
- Federally approved Indirect Cost Rate Agreement





# Brainstorming

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Insert clipart picture



# Acceptable Sources Of In-Kind Contributions - Examples

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- Professional Services
- Hold meetings in donated space
- Full value of administrative services provided by host agency
- Training for members and staff
- Public service announcements
- Recognition events



# Volunteer Exception For Match

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- Grantees match may not include the value of *direct community services* performed by volunteers
- Services that contribute to *organizational functions* such as accounting, training of staff or members can be counted as match





# Documentation Objective

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- All in-kind contributions should contain documentation that supports:
  - **What** is the service or goods obtained
  - **Why** the transaction is allowable for the grant purposes
  - The value of the contribution
- Accounting records should trace back to source documentation



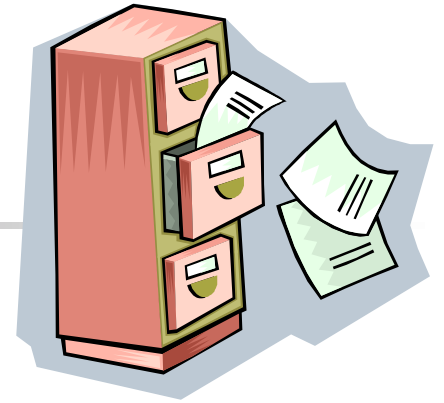
# Documentation Examples

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## Staff Activity Reporting Guidelines

- All salaries and wages charged to the Corporation grants must be supported by signed Time & Attendance records except for:
  - State, Local and Indian Tribal governments must comply with OMB A-87
  - Educational Institutions must comply with OMB A-21

# Records Retention



- Retain all financial records:
  - 3 years from date of submission of final Financial Status Report
    - If there is an on-going audit: 3 years from final audit resolution

# Contributed Services Valuation

## Financial Accounting Standards (SFAS #116)



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- Contributed services are recognized in the financial statements if the services received:
  - Create or enhance non-financial assets
  - Requires specialized skills and
    - Provided by individuals possessing those skills
    - Would need to be purchased if not provided by donation



# Financial Statements

## In-Kind Contributions Examples

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- The following were donated to a grantee during the fiscal year:
  - Training services valued at \$3,544
  - Office space valued at \$12,000
  - Office supplies valued at \$6,000
  - Services of volunteers working side-by-side with service participants members valued at \$10,000
- The following pages show the financial statement presentation

**Teach Tech**  
**Statement of Activities**  
**March 31, 2002**

**Revenues and Other Support**

AmeriCorps Grant	\$	56,000
Contributions		21,544
		77,544
		77,544

6,000  
12,000  
3,544  
21,544



**Expenses**

Salaries and Living Expenses		39,400
Benefits		7,000
Consultants		1,000
Staff travel		1,000
Supplies		6,000
Communications		1,050
Rent		12,000
Donated Services		3,544
Depreciation expenses		4,000
Other expenses		1,590
		76,584
		76,584
Excess of Revenues and Other Support Over Expenses		960
Beginning Net Assets		300,416
Ending Net Assets	\$	301,376



# FINANCIAL STATEMENT WITHOUT IN-KIND CONTRIBUTIONS

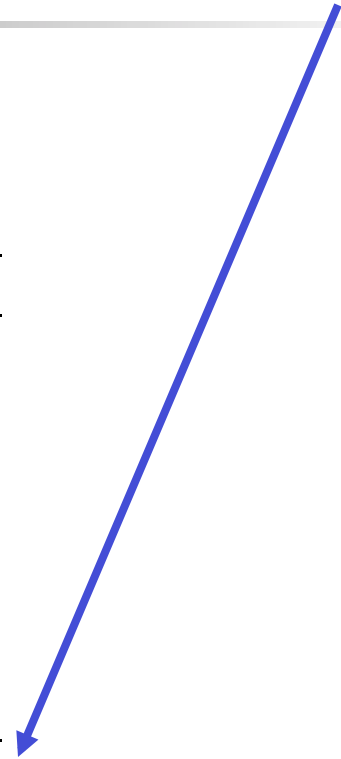
**Teach Tech  
Statement of Activities  
March 31, 2002**

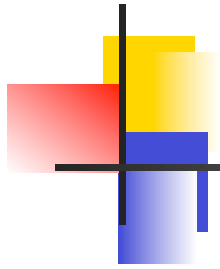
**Revenues and Other Support**

AmeriCorps Grant	\$	56,000
		56,000
<b>Total Revenues and Support</b>		

**Expenses**

Salaries and Living Expenses		39,400
Benefits		7,000
Consultants		1,000
Staff travel		1,000
Communications		1,050
Depreciation expenses		4,000
Other expenses		1,590
		55,040
<b>Total Expenses</b>		
Excess of Revenues and Other Support Over Expenses		960
Beginning Net Assets		300,416
Ending Net Assets		\$ 301,376





# Questions

