

# MANAGING MATCH AND IN-KIND RESOURCES

**Presented by:**

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# GOALS FOR TODAY

- Generate questions about match and in-kind resources.
- Explain basic terms as they relate to match and in-kind.
- Learn how to obtain match and in-kind.
- Learn how to document and record match and in-kind.
- Apply what we have learned.
- Questions and Answers.
- Evaluate.



# BASIC TERMS

## ○ In-Kind Contributions

- The value of non-cash contributions provided by third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies, and other expendable property, and the value of goods and services directly benefitting and specifically identifiable to the project or program.

## ○ Matching Funds

- Any allowable and allocable expenditure by an organization of its own funds or resources, and third party in-kind contribution as part of the recipient's cost sharing or matching to meet its share of total program or projected costs.



# OBTAINING IN-KIND

- Always Ask!
- Must be directly benefitting and specifically identifiable to the project or program.
- Types
  - Labor
  - Space
  - Professional Services
  - Supplies
  - Equipment
- *Are you receiving a not-for-profit discount? It may qualify for in-kind!*



# DOCUMENTING AND RECORDING IN-KIND

- Under Generally Accepted Accounting Principles (GAAP), all contributions received should be recorded as revenue upon receipt, **including in-kind contributions.**
- Under the Statement of Financial Accounting Standards (SFAS) No 116, contributed services are recognized in financial statements if those services:
  - create or enhance non-financial assets, or
  - require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.



# DOCUMENTING AND RECORDING IN-KIND

- When you have an in-kind revenue, you also have an in-kind expense.
  - Example – accounting services
- You may want to consider adding the following accounts to your chart of accounts:
  - In-Kind Contribution – Services
  - In-Kind Contribution – Supplies
  - In-Kind Contribution – Property
  - In-Kind Expense – Services
  - In-Kind Expense – Supplies
  - In-Kind Expense – Property



# DOCUMENTING AND RECORDING IN-KIND

- Calculating the value of in-kind contributions
  - Know the Fair Market Value (FMV)
    - The IRS defines FMV as “the price for which the given property would sell on the open market.”
  - Consider the cost of obtaining a comparable good or service.
  - Ensure that the value of the donation is established by the donor.
  - Review the donor’s letter or form to ensure the value is reasonable.



# DOCUMENTING AND RECORDING IN-KIND

- Common Audit Findings Related to Match
  - One of the most common audit findings is **lack of documentation or accounting** for match, whether cash or in-kind.



# DOCUMENTING AND RECORDING IN-KIND

- Required Documentation for CNCS grant matching funds in-kind contributions.
  - Date and location of the contribution.
  - Detailed description of the goods or service.
  - Estimated value of the contribution.
  - How the value was determined.
  - Who made the determination, i.e. appraiser or donor.
  - If the contribution was obtained with Federal funds.
  - Name and signature of the donor.



### In-Kind Contribution Form

Please print, fill out, and mail to:

Governor's Office of Community Service  
P.O. Box 200901  
Helena, MT 59620

#### Contributor Information

Name of Business or Individual: \_\_\_\_\_  
Name of Primary Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

#### Contributed Goods and Services

Description of Contributed Goods or Services: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date Contributed: \_\_\_\_\_

Real or Estimated Value of Contribution: \_\_\_\_\_

How was the value determined:     Actual Value     Appraisal     Other

If other, please explain: \_\_\_\_\_  
\_\_\_\_\_

Who made this Value Determination? \_\_\_\_\_

Is there a restriction on the use of this contribution:     no     yes

If yes, what are the restrictions: \_\_\_\_\_  
\_\_\_\_\_

Was this contribution obtained with or supported by federal funds?     no     yes

If yes, please provide the name of the Federal Agency and the grant or contract number: \_\_\_\_\_  
\_\_\_\_\_

#### Thank You for Your Support!

Signature of Contributor \_\_\_\_\_

Date Contributed \_\_\_\_\_

#### OCS Staff Only

OCS Signature \_\_\_\_\_  
Total In-kind Received \_\_\_\_\_  
Date Received \_\_\_\_\_



NOW TO APPLY WHAT WE  
HAVE LEARNED!



**ALPINE FOUNDATION FOR GREATER TECHNOLOGY**

Established in 1945  
Non-profit Organization

December 31, 2010

Sherman Smith, Director  
Office of Community Service  
P.O. Box 58906  
Helena, MT 59620-0801

Dear Sherman,

Greetings from the Alpine Foundation for Greater Technology (AFGT). This letter serves as documentation for AFGT's in-kind donation of \$4,653.36 for the purposes of developing the website, Volunteer Success. Our donation consists of AFGT personnel expenses on the project for calendar year 2010.

We look forward to working with you in 2011.

If we can be of additional assistance or if you need more information, please contact either myself or Bruce Lineman.

Sincerely,

Sherman Smith  
Executive Director



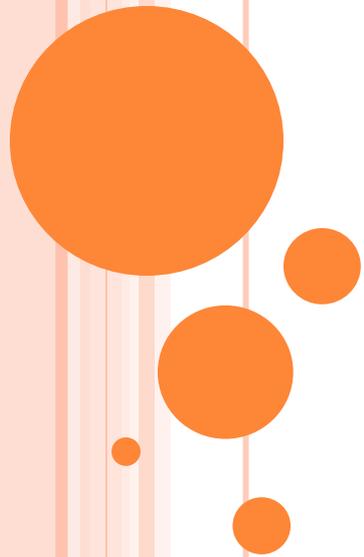
**Match or Not? An In-Kind Contribution Activity**

Rock City Center is a new, non-profit 501(c)(3) organization located in the state of Michigan. The organization recently received an AmeriCorps grant. The organization also has a grant from the U.S. Department of Education for its education research program.

Upon your return from the Financial & Grants Management Institute, you've been asked to determine the following for these in-kind contributions: the value of the contribution, what documentation is needed, and whether it can be included as match for the AmeriCorps grant. Use the following table to record your answers.

Items or Services Contributed	Value	Documentation	Included in Match?	
			Yes	No
1. Rock City Center received a donation of 5 computers from Dell. The computers have a fair market value of \$1,500 each.				
2. A longtime volunteer has a family member who works for Geek Squad as a computer technician. The technician wants to "give back" and volunteers 2 hours every week to update the computer systems and software, and fix e-mail problems. This individual earns \$49 per hour at Geek Squad.				
3. A new volunteer in the program wants to donate 2 tickets to an upcoming Detroit Lions football game to help the AmeriCorps program with its annual fundraiser. Each ticket has a face value of \$350. Since the team is expected to win this year's Super Bowl all games are sold out and the only way to get tickets is through ticket brokers who are selling them for \$700 each.				
4. Motown Car Repair & Service provided coupons for a free oil change to all 5 Rock City Center employees and 45 AmeriCorps members. The value of each oil change is \$30.				
5. Michigan State University provides a conference room for Rock City Center, on an as needed basis. A university official represented that the fair market value of the room was \$150 per usage. Rock City Center used the room 10 times throughout the year: 8 AmeriCorps trainings, 1 education research forum, and 1 Rock City Center holiday party.				
6. To purchase program supplies, the Rock City Center staff hosted a Pasty and Paczki bake sale. They generated \$2,500. The volunteers used the kitchen of a local church to bake all of the food, and received donations for all of the food ingredients.				

# QUESTION AND ANSWERS



# CONTACT INFORMATION

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