



**GIFT IN-KIND ACCEPTANCE AND  
ACKNOWLEDGEMENT POLICY**

## DEFINITION

A Gift-In-Kind is a voluntary contribution of goods or services that can be used to advance the mission of Champlain Valley Office of Economic Opportunity (CVOEO) or can be readily converted to cash and may qualify as a charitable deduction for the person making the gift.

**Note:** Individual donors should consult their personal legal and financial advisors to determine if the in-kind gift is tax deductible.

## PURPOSE

The IRS has specific regulations regarding gifts in-kind. This policy outlines the process CVOEO employees should follow when presented with a gift in-kind. It limits the liability that may inadvertently be assumed by placing value on in-kind gifts or by accepting an in-kind gift that does not advance our mission or that cannot be readily converted to cash. It further assures that a donor will receive timely acknowledgement of their contribution.

## POLICY

**The donor of an in-kind gift is responsible for providing written proof of the fair market value, not the CVOEO employee accepting the gift.**

Once received the written documentation from the donor, the CVOEO employee will complete the enclosed **In-Kind Gifts Transmittal Form** and submit it to the Philanthropy Team for processing. Copies of tickets, gift cards or gift certificates showing the face value are acceptable forms of supporting documentation. Other acceptable forms of written documentation include: void invoice, invoice showing a discount itemized as "donation", email from the donor confirming the estimated fair market value of the donated items.

**The CVOEO employee accepting the gift cannot offer tax advice or dictate the value of the contribution. It is the responsibility of the donor to determine the fair market value of the contribution and provide backup documentation.**

The IRS allows an individual to deduct the full fair market value of a donated item if it is kept by CVOEO and used for tax-exempt purposes. If the item is to be converted to cash, then the donor may claim a deduction of the cost value or the fair market value, whichever is less.

The Philanthropy Team will enter the contribution in its donor database, DonorPerfect, and issue an **acknowledgment** to the donor which will include only a description of the contribution and will **not include a statement as to the value of the gift in-kind**. It will also include a statement as to what, if any, goods or services were given in exchange for the contribution:

*"Important Tax Information. According to IRS regulations, it is the responsibility of the donor to substantiate the fair market value of an in-kind contribution for Federal Income Tax purposes.*

*We did not provide any goods or services in exchange for this contribution."*

For gifts with values exceeding \$5,000, the donor must provide a qualified appraisal of the gift and complete all parts of **IRS form 8283** and submit the form to CVOEO's Chief Financial Officer.

The **appraisal** cannot be dated more than 60 days from the date of the donation. It must be prepared, signed and dated by a qualified appraiser. Federal law states that the donor is responsible for the cost of the appraisal. The value on the appraisal will be used for gift reporting purposes only.

If CVOEO has signed an IRS form 8283 and then sells, exchanges or otherwise transfers the gift within two years from the date of gift, it must file a donee information return, IRS form 8282, within 125 days of disposing the property. CVOEO will also advise the donor if such a transaction occurs as it may affect the charitable tax deduction for which they qualify.

In-kind gifts of **professional services** are gratefully received. Those services **must represent the donor's personal or organizational expertise and be performed outside general volunteer activities** (including serving as a board member). Legal, auditing, advertising, computer related or trade related services will be accepted at no more than the fair market value for each billable hour. An itemized invoice would serve as appropriate documentation in this instance.

Contributed services should be reported as contribution revenue only if:

- The services create or enhance a nonfinancial (i.e., nonmonetary) asset (e.g., property or equipment); or
- The services (a) would typically need to be purchased by the organization if they had not been provided by contribution; (b) require specialized skills (e.g., accounting, financial, construction, education, electrical, legal, medical) and (c) are provided by individuals who possess those skills (e.g., accountants, architects, investment advisers, contractors, carpenters, plumbers, electricians, teachers, lawyers, doctors, nurses, other professionals and craftspeople).

The processing and acknowledgement of in-kind gifts of professional services follow the general policy outlined above.

NOTE: If the supporting documentation from the donor proofing the estimated fair market value of a gift in-kind is not available, the CVOEO employee can still accept qualifying donations and use the In-Kind Gifts Transmittal Form to notify the Philanthropy Team. The Philanthropy Team will process the unsubstantiated gift in-kind in the DonorPerfect database with \$0.00 value and **exclusively for internal Philanthropy tracking and recognition purposes.**

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**Champlain Valley Office  
of Economic Opportunity  
Gift Transmittal Form  
IN KIND GIFTS**

**PLEASE ATTACH BACK UP  
DOCUMENTATION**

Donor Name & Address : \_\_\_\_\_  
\_\_\_\_\_

Contact Name (if it is a corporate gift): \_\_\_\_\_

Description of Gift: \_\_\_\_\_  
(include event dates) \_\_\_\_\_

Value of Gift (if written documentation from the donor is available) \$ \_\_\_\_\_

Acknowledgement Needed?  Yes  No (If not needed, please explain below)

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_