

IN-KIND DONATION PROCEDURE



October 2023

- **Purpose:** The purpose of this document is to provide the rationale (i.e., value-added) for filling out the attached In-Kind Donation Form and uniform procedure used by Project Healing Waters Fly Fishing, Inc. (PHW, we, us, our) to acknowledge donors and record the fair market value (FMV) of in-kind donations (i.e., non-monetary) of goods and/or services.
- **Cancellation:** In-Kind Donation Procedure with Form approved 04-16-2015
- **Significant Changes:** Added FMV term, donor responsibility to maintain the FMV of their donation, procedure for volunteers to enter or reduce the FMV of donations on the Form, modified the Form by adding fields to identify donations that will be used for fundraising and to differentiate between the FMV of
 - items used for fundraising from the FMV of those used by our participants, and minor editorially changes to conform to standard language.
- **Rationale:** It is our policy for Headquarters (HQ) to send a Thank You letter (see attached example) to every donor even when verbal thanks are provided at the point of donation. We take pride in conducting ourselves in a professional manner in all public and private endeavors and basic courtesy dictates that
“You cannot thank donors too much”.
- **The HQ Thank You letter provides the donor with:**
 - Acknowledgement in writing from the Chief Executive Officer (CEO) that his donation was received and greatly appreciated by us.
 - An official document for the donor to use as a tax deduction, if applicable, when filing his income tax.
 - A great incentive for him to provide future donations because the donation was recognized and appreciated by our CEO in writing. Unappreciated donors will look to support organizations that recognize their contributions and there are countless charities from which to choose.
- The HQ Thank You letter never includes the FMV of the donation as it's the donors responsibility to maintain the FMV of on in-kind donations.
- **A completed In-Kind Donation Form enables us to:**
 - Send the donor our Thank You letter.
 - Expand/update our Donor Database enabling us to request similar donations in the future.
 - Annually apply the total FMV of in-kind donations as income for accounting purposes to accurately state our direct to indirect expenses for the public record. Using the revenue and expense numbers from our 2013 Annual Report as an example, we spent 80% of income directly supporting our participants. Without in-kind donations of \$461,000, we would have spent 71% of income on participants. The greater the % spent on participant support, the better we look to current and potential donors as the charity most deserving of their support.
 - Needless to say, it is everyone's responsibility to keep accurate records of all in-kind donations for us to continue to grow and provide the critical services our participants desperately need.



- **Purpose:** Please have the donor or our volunteer fill in the Form as applicable and to the fullest extent possible at the point of receipt and send the Form to HQ at donate@projecthealingwaters.org or mail to PHW, PO Box 695, La Plata, MD 20646.
- When a donor fails or refuses to provide the FMV our volunteer at the point of receipt should.
 - Enter the retail price for new unused items.
 - Enter the FMV for used items based on their best judgement.
- If a donor enters an FMV that our volunteer at the point of receipt deems too high our volunteer should
 - enter a lower FMV based on their best judgement.
- The Form will be reissued when this document is updated; however Forms may be added and/or modified as needed independently of this document and issued with a new Version Date, provided the Forms modifications do not alter the requirements of this document.
- For further assistance please contact your Regional Coordinator.

John Langford
Chief Executive Officer
Project Healing Waters Fly Fishing, Inc.

Date