



## What Is a In-Kind Donation 501C3?

*by John Cromwell, Demand Media*

A 501(c)(3), or non-profit, is an IRS approved organization that has a charitable, religious, public safety, or educational purpose. The benefit of qualifying as a nonprofit is that the organization does not have to pay taxes on the money it receives and donors to a 501(c)(3) can deduct the amount of their gifts from their taxable income. As a result, classifying and measuring the amount of donations, such as in-kind donations, can be an incredibly important part of preparing an entity's tax return.

### Types of Donations

There are two types of donations that can be made a to a 501(c)(3). A cash donation is the transfer of funds to a nonprofit. An in-kind donation is the transfer of any other type of asset. Donors to a nonprofit can be private or corporate. While private donors generally tend to make cash donations, in-kind donations are not uncommon. Corporations may prefer donating its products or services because such items would be easier to provide than money if the business has inconsistent cash flow. Charities may also prefer in-kind donations because in-kind gifts typically cost less to the donor than cash; therefore, the donor can afford to give more.

### Valuing Donations

The value of a donation must be determined by the donor; the receiving nonprofit is not permitted to provide a valuation of the property it receives. Since it is not cash, it can be more difficult to determine the value of a donation. The IRS requires that the donation be priced at its "fair market value." Determining FMV can be easier in some situations than in others. For example, if someone were to donate publicly-traded stock, it would be simple to determine the value of that stock. However, if someone were to donate a painting, a professional assessment by a third party may be required.

### Deducting a Donation

Only tangible goods can be deducted from taxable income; services and time are in-kind donations but cannot be deducted. If the person who made the donation is an individual and she donated more than \$500 worth of property, she will need to complete and attach IRS Form 8283, Section B to her personal income tax return. If the donor claims the total amount of her gifts exceed \$500,000, she will also need to attach a qualified appraisal to her tax return.

### Documenting the Donation

Regardless of whether you need to attach supporting documentation to your return, a donor needs to keep records of her donations for at least seven years after filing her taxes in case of an audit. When a donor makes a gift, the recipient will provide a document stating it received an in-kind gift. The receipt will describe what it received and when it was received, but will not list its value. It will also have the contact information of the recipient. The donor should also keep all documents that demonstrate the value of the in-kind donation when it was transferred, such as stock price and assessment reports.



## USAFAPAWS REIMBURSEMENT FORM

Please provide the information below for any expenses you have made on behalf of USAFAPAWS and wish to be reimbursed for within 45 days of incurring the expense. Please submit completed form with receipts to the USAFAPAWS Treasurer.

DATE: \_\_\_\_\_ NAME: \_\_\_\_\_

ADDRESS: (to mail check to) \_\_\_\_\_

AMOUNT: \$ \_\_\_\_\_ FOR: \_\_\_\_\_

REIMBURSEMENT TO: (IF OTHER THAN YOU) \_\_\_\_\_

E-MAIL (or MAIL) COMPLETED FORM AND RECEIPT COPIES TO: Jeffrey Link  
28137 233<sup>rd</sup> Ave SE  
Maple Valley, WA 98038  
[jeff@missinglinkconsulting.net](mailto:jeff@missinglinkconsulting.net)  
206-355-2464

**Please attach your receipts to this form**



## USAFAPAWS GIFTS IN KIND DONATION FORM

Please detail the information below for any Gifts in Kind Donations you have made on behalf of USAFAPAWS. Please maintain a copy of this for your tax reporting if necessary.

DATE OF CONTRIBUTION: \_\_\_\_\_ DONOR NAME: \_\_\_\_\_

VALUE OF CONTRIBUTION (Fair Market Value): \$ \_\_\_\_\_

DESCRIPTION OF CONTRIBUTION: \_\_\_\_\_

DONEE ORGANIZATION INFORMATION: USAFAPAWS  
501(c)(3) EIN 46-5706581  
601 W Main Ave – Suite 714  
Spokane, WA 99021 [usafapaws@gmail.com](mailto:usafapaws@gmail.com)

**Please retain copy for your Tax Records**