**The Salvation Army**

**Women’s Counselling Centre**

**POLICIES & PROCEDURES MANUAL**

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| Section: | Administration |
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| Date Created: | July 2009 |
| Date Reviewed: | July 2017 |
| Authority: | Director |

**Gifts-In-Kind Donations**

**Policy:**

It is the policy of the Women’s Counselling Centre that receipts can be given for goods received, as long as the fair market value of the goods has been established. (i.e.: Inventory list, preferably on company letter head or invoice.) Caution is advised.

**Procedure:**

All Gift in Kind requests must be approved by the Director. Gift In Kind donations can be made in a couple of different ways. The first is:

1. Corps and institutions purchase the goods being donated, paying for the market value of the goods.
2. The donor returns the funds to the Corps/ Institution as a donation;
3. The donor receives a charitable receipt.

Please note: The amount paid for the goods is to be “fair market value” (the price the goods would bring in an open market transaction between a willing buyer and a willing seller acting independently of each other

The second way that such a donation can be made is: if a donor insists on a direct receipt for a “gift in kind”, rather than the above exchange of cheques, the following rules apply:

1. Receipts cannot be given for goods of little value; e.g. used clothing, used furniture; etc.
2. Receipts cannot be given for merchandise, the cost of which has been, or is to be charged as a business expense of the donor.
3. The fair market value of the goods has to be established:
4. for goods valued at less than $1,000.00 by a “knowledgeable” staff member of the receiving charity;

**Gifts-In-Kind Donations Policy Cont’d**

1. for goods valued at more than $1,000.00 by an independent appraiser, not associated with either the donor or the recipient;
2. the receipt is to contain a brief description of the goods, as well as the name and address of the appraiser, if an appraisal was made.

Documentation regarding the above is to be kept on file for possible government audits.

**Services Rendered**

It is not permitted to give charitable receipts for services rendered. However, there is no objection to paying the worker for his services (by normal payroll or billing procedure) and the worker, in turn, returning this payment to the charity as a donation.