



IN-KIND DONATION ACCOUNTING

A Checklist for Non-Profits

This checklist helps nonprofits stay compliant with GAAP, maintain transparency, and give donors confidence that their contributions are valued and reported accurately.

Presented by:
Wendy Li, Manager

IN-KIND DONATION CHECKLIST:

Step 1: Confirm It Qualifies

- ☐ Would your nonprofit normally pay for this good or service?
- ☐ Is the service provided by a professional with specialized skills (e.g., legal, accounting, catering, design)?
- ☐ Are there no donor-imposed “strings” restricting how it must be used?
If restricted, it does not qualify as an in-kind donation.

Step 2: Determine Fair Market Value (FMV)

- ☐ Goods: Value based on market/comparable item pricing.
- ☐ Services: Value based on standard hourly rates or salaries for that profession.
- ☐ Unique/High-Value Items (> \$5,000): Obtain donor estimate and/or independent appraisal.
- ☐ Documentation (invoices, appraisals, market research) is kept on file.

Step 3: Record Properly

- ☐ Record FMV as both revenue and either an expense (for services) or an asset (for goods).
Example: Donated legal services Contribution Revenue & Professional Services Expense.

Step 4: Disclose in Financial Statements

- ☐ Separate line item for “Contributed Nonfinancial Assets.”
- ☐ Disclose categories: fixed assets, materials/supplies, professional services, intangibles.
- ☐ Describe how donations were used by the nonprofit.
- ☐ Disclose valuation methods used to determine FMV.
- ☐ Note any donor restrictions.



Pro Tips >>

- Always ask: *Would we have purchased this if it wasn't donated?* If yes, it likely qualifies.
- Keep a central log of all in-kind donations (date, donor, category, FMV, documentation).
- Train staff and board members to flag potential in-kind donations early for proper recording.

Need Assistance?

Our team of professionals are experts in the latest accounting standards and emerging issues. We offer the highest level of assurance, and provide financial insight based on decades of experience, to help you better understand and manage your non-profit business.



WENDY LI
MANAGER

direct dial: 781.835.2160
main: 781.279.7788
mobile: 617.285.0418
email: wendy.li@crrcpa.com

