



Policy: Contributions

ChildNet Number: CN 010.009

Original Approved Date: June 17, 2003

Policy Revised Date(s): August 20, 2007; June 16, 2010

Policy Sunset Date:

COA Standard(s): FIN 2, 7.02, 7.05

Statement of Policy

To record and acknowledge all cash contributions, pledges and donated goods and services into the accounting system in a timely manner.

Board Chair Signature: _____

Date: _____

11/15/10



Procedure: Contributions

ChildNet Number: CN 010.009

Original Approved Date: June 17, 2003

Procedure Revised Date(s): August 20, 2007; June 16, 2010, June 10, 2014, October 19, 2022

Procedure Sunset Date:

COA Standard(s): FIN 2, 7.02, 7.05

Definitions

Fair Market Value - is an estimate of the market value of a property (land, good or service), based on what a knowledgeable, willing, and unpressured buyer would probably pay to a knowledgeable, willing, and unpressured seller in the market.

Pledge – is a promise to give either in a written or oral agreement to contribute cash or other assets to ChildNet. To be recognized in the financial statements there must be sufficient evidence in the form of verifiable documentation that a promise was made and received.

Non-monetary asset - Asset (such as volunteered services) which does not have a fixed exchange value to cash, but whose value depends on economic conditions.

Statement of Procedure

Monetary Contributions

Monetary contributions are received in various means (in person, via mail, or online) and processed by ChildNet's Director of Community Relations or the Finance Department. (Refer to CN 015. 012, Coordination of Donations). The appropriate documentation concerning the contribution is forwarded to the Controller or designee and the appropriate journal entries are made within the Finance Department according to the cash receipts policy of ChildNet (CN 010.038, Cash Receipts and Deposits).

Donated Services

ChildNet is responsible for assigning a value to donated items that are directly utilized by the organization. The value of a donated item may be recorded as the amount that the organization would pay for comparable items in the market.

When donated services are recorded, they should be reported at their fair market value. The following items are required for the donated services to be recorded in the general ledger:



- A description of the programs or activities for which those services are used
- The nature and extent of services received for the period.
- The amount recognized as revenue and corresponding expense is recorded within the appropriate period.

Volunteer Services

Volunteer services should be reported on the general ledger **ONLY IF**, the services create a non-monetary asset or if the services **meet all three** of the following criteria:

- Would typically need to be purchased by the organization if they were not provided by the contribution; and
- Require specialized skill, and
- Are provided by individuals with that specialized skill.

Volunteer services are considered In-Kind Donations.

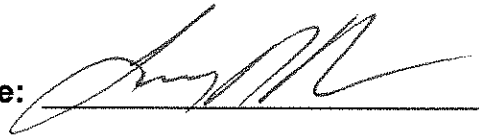
When ChildNet engages a volunteer to perform services, a determination is made as to whether the service meets all the criteria above. If the services do not, then no further action is necessary from the Finance Department.

Pledges

The general rule is that pledges are recognized when received. However, if the pledge is conditional, it is not recognized until the condition is met. Once the triggering event/condition occurs, the pledge is recognized by ChildNet.

Supporting documentation provided with the pledge is attached to the journal entry for the Finance Departments recording and filing.

President Signature:



Date:

10/31/22