

Valuation of Third-party In-kind Contributions

The valuation of third-party in-kind contributions is determining what it would have cost if the university had paid for the item or service itself. Special valuations of third-party in-kind contributions are:

Volunteer Services

Services provided to the university by volunteers are valued at rates consistent with those paid by the university to its employees performing similar work. If the university does not have employees performing similar work, the applicable rates are those paid by other employers for similar work in the labor market in which the university competes for the same type of services. In either case, fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

Employees of Other Organizations

When an employee other than the university furnishes the services of an employee, these services are valued at the employee's regular pay (plus fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided they are in the same line of work for which the employee is normally paid. If these services are in a different line of work, then the rules for volunteer services apply.

Donated Supplies and Loaned Equipment or Space

If a third party donates supplies, the contributions should not be valued in excess of the market value of the supplies at the time of the donation. If a third party donates the use of equipment or space in a building but retains title, the contribution is valued at the fair market rental value of the equipment or space.

Donated Equipment

Valuation of donated equipment should be secured from the Development Office. Since the donor will usually take a tax deduction for the contribution, he or she must substantiate to the Internal Revenue Service the value used for the contribution. The Development Office asks the donor for a letter or other documentation that states a value for the contribution.