

## What are In-Kind Contributions?

Individuals and organizations often donate resources (equipment, supplies, materials, or labor) to assist with response activities. These donated resources are referred to as in-kind contributions. While FEMA does not provide public assistance funding to reimburse donated resources, the fair market value of those donations may be applied toward the required match (offset the non-federal share) of eligible emergency work projects as long as the donated items are eligible, properly documented, and reasonably valued.

To qualify under FEMA Public Assistance, all the following conditions must be met:

- The donated resource is from a third-party. Meaning, a private entity or individual that is not a paid employee of the applicant, federal, state, local or tribal government - an outside party.
- The applicant uses the donated resource in the performance of eligible emergency work.
- The applicant or volunteer organization (for volunteers) tracks the resources and work performed, including but not limited to a description of the activities being performed, specific location, and number of hours worked.

Additionally, if a mutual aid agreement provides for assistance at no cost to the applicant, the value of that assistance may also be used to offset the non-federal share of the emergency work. Donated resources would be a separate project from the emergency works projects under public assistance.

Also understand that an in-kind contribution should meet the following conditions:

- Be necessary and reasonable to accomplish the project's objectives.
- Cannot be from a federal source.
- Cannot be used as a match for another federal grant.

In-kind contributions must be documented and verifiable in the records of the entity receiving the donation. All records must be maintained to support how the value of the in-kind contribution was determined.

*Note: A good question to ask is, "Would it be necessary to buy the service or item in order to accomplish the mission/objectives, and is the cost (value) reasonable for this purpose"?*

## Determining the value of In-Kind Contributions

Donated Use of Equipment or Space: (Title is retained by the donor)

- Equipment – the contribution value of equipment under FEMA Public Assistance is based on FEMA published equipment rates.
- Space – will be determined by the fair market value of the space being utilized for eligible emergency work.

Donated Supplies or Materials

- The value of eligible donated supplies or materials is based on current commercial rates, which are validated based on actual invoices from previous purchases or information available from vendors in the area.

- The offset for volunteer labor is based on the same straight-time hourly labor rate, and fringe benefits, as a similarly qualified person in the Applicant's organization who normally performs similar work. Overtime and premium rates are not considered when assigning a value to volunteer rates. If the Applicant does not have employees performing similar work, the labor market rates for the work being done in the same geographic area will be considered for valuation purposes.

## **Documenting In-Kind Contributions**

### **Having insufficient supporting documentation is the most common audit-finding when it comes to in-kind contributions.**

For donated resources to be considered an eligible match toward the Federal Public Assistance award, please make sure all donations have documentation (invoice, receiver document, donation/contribution form, etc.) that includes the following information:

- Name and address of donor and date of donation.
- Details of what was donated, quantity, and value (\$\$) of donation.
- How did you determine the value? Attach that support.
- Did the donor specify how the donation can be used?
- Where was the donation received/shipped (address of warehouse/location)?
- Signature of whomever accepted the donation, and date accepted.
- Date the item was distributed from the warehouse (if applicable) and where it was sent. If possible, the location/address from where the donation was shipped and indicate the shipping/delivery method.

Volunteer time that you wish to have considered to offset the local cost-share of the Public Assistance awards is treated as its own separate project in the Grants Portal. So, one of the projects you will have running through the process is for volunteer labor/time.