

In-Kind Goods and Services Policy

These guidelines provide an overview of eligible and non-eligible in-kind contributions suitable for inclusion in budgets and financial reporting to Arts Nova Scotia.

- All in-kind revenue must have a corresponding in-kind expenditure so that budgets are revenue neutral for these contributions.
- Contributions of Goods may be included.
- Contributions of Services rendered by professionals in their professional capacity may be included.
- Please do not include the estimated value of hours provided by volunteers not working in their professional capacity.
- Clients who include In-Kind contributions are required to submit the Arts NS In-Kind reporting form. In-kind goods and services revenue must be included in your organization's financial statements if you wish to include them in your financial reporting and budgets.

Arts NS recognizes in-kind contributions of Goods and Services at fair market value. "Fair Market Value" is defined as the agreed-upon price in an open and unrestricted market between knowledgeable and willing parties who are dealing at arm's length and who are fully informed. The fair market value is the price an organization would be expected to pay after normal discounts. It is the responsibility of organizations to ensure that the reported fair-market value for all items involving an in-kind contribution is reasonable.

In-kind contributions of Services by professionals in their professional capacity may include contributions by Board Members for work they do outside of normal Board of Director responsibility if it is work that would otherwise be contracted as a paid service.

Arts NS recommends that you keep a file that annually documents In-kind contributions of goods and services so that they can be included in your financial statements. Some accountants who primarily work in the corporate context may not realize that not for profit and charitable organizations may include in-kind goods and services in their statements as long as there is clear documentation from the donor of the true value of goods and services. (This valuation is not to be confused with the ability to provide donation receipts. CRA permits organizations to provide donation receipts for goods, but not for services.)

Some eligible categories include:

- Salaries for employing experts, or a portion of a salary for a staff member who fulfills critical functions.
- Professional and technical services and contracts such as communications professionals, consultants, lawyers, etc.

- Travel and subsistence costs: reasonable out-of pocket expenses; use of air miles points to pay for travel; conference travel and expenses if the conference relates directly to the organization's work.
- Equipment, materials and supplies: donated used equipment, material and supplies at fair market value; donated new equipment, materials and supplies at the selling price to a most favoured customer; loaned equipment, material and supplies based on rental equivalent.
- Software, new technologies and databases: cost of purchasing licenses if not already provided, development costs of new technologies, access to unique databases, costs of collecting and archiving data when this is professionally managed and the information is critical to the organization's work.
- Dissemination: preparation of materials for audiences; organization of workshops, seminars, meetings, etc. that relate directly to the organization's mandate; implementation of promotional strategies, etc.
- Use of facilities: donated space for which a fee is usually charged, as long as this is not part of a service generally provided to a volunteer or professional by their employer.
- Partnership contributions: clearly outlined and documented partnership contributions with a partner who may be an organization or an individual

For further clarification contact: Mireille Bourgeois, Program Officer, (902) 424-3422,
Mireille.Bourgeois@novascotia.ca