

### What are donations?

Donations can be money, goods, property, or time (such as in-kind services) given to a victim services program by a third-party donor.

### Why have a donations policy?

- ◆ Identifies who is responsible for setting the rules for what qualifies as a donation.
- ◆ Identifies who is responsible for determining what donations will – and will not – be accepted by the tribal entity. Things to consider when deciding which donations to accept might include:
  - ◆ Does accepting the donation require any additional insurance?
  - ◆ Does accepting the donation require any special transportation or storage arrangements?
  - ◆ Will there be any costs associated with accepting the donation?
  - ◆ Is the source of the donation a good fit for the mission and priorities of the tribal entity?
- ◆ Sets the rules for how donations will be tracked in the accounting system.

### Considerations for processing donations

- ◆ Who is responsible for accepting the donation?
- ◆ Is there a form for recording the information below?
  - ◆ Name and address of the donor
  - ◆ Date donation received/accepted
  - ◆ Type of donation
  - ◆ Restrictions on the donation
  - ◆ Description of the donation
  - ◆ Estimated value of the donation as set by the donor
  - ◆ Intended use of the donation
  - ◆ Name of person accepting the donation
- ◆ Who is responsible for outlining the process for accepting a donation?
- ◆ Who is responsible for reporting back to donors, if required?
- ◆ Is a receipt or a donation acknowledgement letter provided to the donor?

### Types of donations

There are two types of donations: restricted and unrestricted. There are specific accounting requirements for recording and reporting each type of donation in a tribal entity's financial statements.

- ◆ **Restricted:** The donor designates the use of the donation for a particular purpose or project.
- ◆ **Unrestricted:** The donation can be used for any purpose.

### What are donor restricted funds?

Restricted funds are donations which can only be used in a manner chosen by the donor.

### Why have a policy on donor restricted funds?

- ◆ States whether donor restricted funds will be accepted.
- ◆ Assigns authority for who can accept restricted donations.

### What are some issues to consider in a donor restricted funds policy?

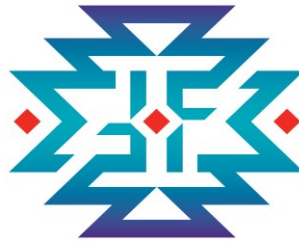
- ◆ Who monitors conditions of donor restricted funds?
- ◆ How are reports made to donors of restricted funds?
- ◆ Who is responsible for ensuring donor restricted funds are properly accounted for on the financial statements?

### How are donor restricted funds accounted for and reported on the financial statements?

The guidelines for accounting for donor restricted funds are set by the Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB). The FASB and GASB are the national bodies of accounting professionals who set the standards for generally accepted accounting practices within the United States. The guidelines emphasize identifying donor restricted funds in the financial statements of nonprofits and governments. This allows for transparency regarding how much of the assets on the financial statement are used in a specific way or at a specific time. A Certified Public Accountant, or other accounting/legal professional, can provide tribal entities specific advice on how to account for donor restricted funds.

### Resources

- ◆ [Statement of Financial Accounting Standards No. 116](#)
- ◆ [Statement No. 54 of the Governmental Accounting Standards Board](#)



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to [TFMC@OVCTFMC.org](mailto:TFMC@OVCTFMC.org)** or call **703.462.6900**. Visit [OVCTFMC.org](http://OVCTFMC.org) for additional resources and information.

## Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to [Evaluation@OVCTFMC.org](mailto:Evaluation@OVCTFMC.org).

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