

U.S. CHAMBER OF COMMERCE FOUNDATION

IOM – WINTER INSTITUTE

“501(C)(3) FOUNDATIONS”

Budgeting Workshop/Financial Management for Nonprofit Organizations

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Fiscal Strategies 4 Nonprofits, LLC
Sustainability Education 4 Nonprofits

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www.se4nonprofits.com

CASE STUDY

HANDOUTS

FOR

IN-CLASS USE



C-6 and C-3 Alignment Opportunities

New opportunities are infinite and often cross-over between education, research, fee for service, events and fundraising.

Select one or two new Funding opportunities that would be available to a 501(C)(3) Foundation and how this would strengthen the 501(C)(6) Association/Chamber parent entity, expand capacity and explain why:

SE4N – Sustainability Education 4 Nonprofits FS4N – Fiscal Strategies 4 Nonprofits, LLC

11



New World Program of Opportunities

New opportunities are infinite and often cross-over between education, research, fee for service and fundraising.

Select one or two new Program opportunities that would perform best in a 501(C)(3) Foundation and how this would strengthen the 501(C)(6) Association/Chamber parent entity, expand capacity and explain why:

SE4N – Sustainability Education 4 Nonprofits FS4N – Fiscal Strategies 4 Nonprofits, LLC

22

10th Institute
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Unrestricted vs. Restricted Funds



- What Makes Funds – Unrestricted?

- How Can Organizations “Accidently” Avoid Restrictions?

- Why are Unrestricted Funds so Important?

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34

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Unrestricted vs. Restricted Funds

- What Makes Funds – Restricted?

- How Can an Organization Impact Restrictions?

- Why is it Important to Understand Restrictions?

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37

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Unrestricted vs. Restricted Funds

Temporarily Restricted

- Examples

1. _____
2. _____
3. _____
4. _____

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40

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Unrestricted vs. Restricted Funds

Permanently Restricted

- Examples

1. _____
2. _____
3. _____
4. _____

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43

CASE STUDY #1

FUNDRAISING QUANDARIES

**TIMING, EFFECT ON INCOME AND MEETING
DONOR EXPECTATIONS**

CASE STUDY #1

SITUATION #1

Unsolicited cash contribution from Mary Jane Smith, in the form of a check, is received in the mail with no additional documentation.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> No
		<input type="checkbox"/> Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/> Temporarily Restricted	<input type="checkbox"/>
	<input type="checkbox"/> Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #2

A small local Maritime Museum is open to the general public daily between the hours of 10:00 AM and 4:00 PM. There is no charge for admission. The museum has a glass enclosed collection box for voluntary cash contributions. The sign attached to the collection box reads; "Please Contribute \$5.00 to Help Us Maintain our Museum in Beautiful Condition and Display New Artifacts".

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	No
	<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #3

A national youth summer jobs initiative organization sends out their year-end appeal letter on November 17th asking for contributions of \$5,000 to support vital programs like the "Summer Right to Work" program and "Intern Scholarships". A \$5,000 check is received from a donor in response to the year-end appeal letter. The check is dated December 29th and is received on January 3rd.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #4

One year later the same organization (National Youth Summer Jobs Initiative) is directed by the Board to send out a year-end appeals letter that solicits contributions for its new "Summer Jobs Database Bank" where potential employers from all over the country can post summer job opportunities. Again the letter is mailed on November 17th and a \$100 contribution is received on December 11th.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #5

The National Association of Highly Respected Teachers (NAHRT) sends out membership dues renewal notices on April 1st for the next membership dues year which begins on July 1st. The membership dues notice has an additional optional donation line for the teachers defense fund for \$25. About half of the members pay the additional \$25. How do you account for the \$25 donation?

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	No
	<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #6

John Smith pledges \$10,000 by way of a pledge letter. The pledge letter is written directly by the donor and sent to the organization through the mail. The letter states that the funds are for use in supporting the scholarship program.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #7

Jane Johnson pledges \$50,000 by way of a pledge letter (\$10,000 a year for 5 years). The pledge letter is written directly by the donor and sent to the organization through the mail along with a check for \$10,000. The letter states that the funds are to be used only to purchase New books for the Library and that no more than \$10,000 of new book purchases can occur in any one fiscal year.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #8

Jeffrey Brian pledges \$100,000 by way of a pledge letter. The pledge letter is written directly by the donor and sent to the organization through the mail. The letter states that the funds are to be used only to build a new headquarters building. The board currently has no plans to build a new building and the board has recently approved a five-year lease extension for its current office space.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #9

The law firm of Washington and Jefferson provides pro bono office space to the public interest group Defenders of Freedom (DOF). The law firm has annually renewed this commitment to DOF. The use of the office space includes telephones, use of copy machines and use of conference rooms when available.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #10

The public interest group Defenders of Freedom (DOF) regularly receives help from volunteers. Betty McSmith an attorney who is a partner in the law firm of Washington and Jefferson is also a board member of DOF. In addition to her duties as a member of the board of DOF, Betty also provides over 100 hours of legal services and twice a month volunteers to help DOF staff with general office duties for 6 hours at a time.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #11

Bob Jones gifted to Defenders of Freedom (DOF) 5,000 shares of class A Gen-Ford Motors stock. The stock was pledged on October 5th, delivered to DOF on October 7th and sold by DOF for cash on October 12th. The value of the shares was \$10.00 on October 5th, \$11.00 on October 7th and \$9.00 on October 12th. How do you treat this contribution and transaction?

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #12

The law firm of Washington and Jefferson gifted to Defenders of Freedom (DOF) one used server, ten used computers and four new printers.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____

<input type="checkbox"/>	Unrestricted	<input type="checkbox"/>	No
<input type="checkbox"/>		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/>	Temporarily Restricted	<input type="checkbox"/>
	<input type="checkbox"/>	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____
Debit) _____

Credit) _____
Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #13

Linda and Robert Gray (both age 95) gifted 10 acres of adjacent land to the Horse Shoe Summer Camp for Troubled Children. The land has been owned by the Gray family for a very long time.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #14

A past president of Defenders of Freedom pledged \$25 for each new paying member added to the organization in the next fiscal year. The pledge was made prior to the end of the current fiscal year.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> No
		<input type="checkbox"/> Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/> Temporarily Restricted
	<input type="checkbox"/> Permanently Restricted

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #15

A current president of Defenders of Freedom (DOF) named DOF as one of the beneficiaries in his will. The will calls for DOF to receive proceeds from the sale of all his antique cars and 25% of the remainder of his assets after liquidation. The President's house will pass directly to his only child or the child's family.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #16

The current president of Defenders of Freedom (DOF) wanted to make a big statement now even though he had already announced that DOF is a beneficiary listed in his will. The President presented on November 1st of the current year one of his prized pieces of artwork valued in excess of \$5,000,000.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	Unrestricted	<input type="checkbox"/>	No
		<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #17

An employee of the law firm of Washington and Jefferson took advantage of \$25 weekly payroll deduction for a donation to his favorite charity. The law firm matches the donation dollar for dollar. How does the charity account for this contribution.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> No
		<input type="checkbox"/> Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/> Temporarily Restricted
	<input type="checkbox"/> Permanently Restricted

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #18

The Defenders of Freedom received a \$200,000 gift on June 22nd. The donor wanted the gift to go into a separately named endowment fund with the proceeds to be used only for the intern program.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> No
		<input type="checkbox"/> Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/> Temporarily Restricted
	<input type="checkbox"/> Permanently Restricted

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #19

A donor stood-up at the annual meeting of the Defenders of Freedom (DOF) and pledged at the top of his lungs - "I PLEDGE TO GIVE DOF \$50,000 BECAUSE I LOVE THIS ORGANIZATION" The announcement was made at the annual meeting gala party before midnight on December 31st. Alcohol was present.

Step #1

Type of Contribution:

Why?

<input type="checkbox"/>	Cash
<input type="checkbox"/>	Non-Cash
<input type="checkbox"/>	In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____

Unrestricted	<input type="checkbox"/>	No
	<input type="checkbox"/>	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	Temporarily Restricted	<input type="checkbox"/>
	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

<input type="checkbox"/>	Current
<input type="checkbox"/>	Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____

CASE STUDY #1

SITUATION #20

Board members of the Defenders of Freedom (DOF) were worried about how much reserves they had built up over the years. They decided to put \$2,000,000 of the reserves into a special named endowment fund to support scholarships. They hoped this would lower reserves.

Step #1

Type of Contribution:

Why?

- Cash
 Non-Cash
 In-Kind

Step #2

Key Issue:

1) _____

Sub-Issues:

a) _____

b) _____

Step #3

Any Restrictions?

Why? _____

Unrestricted	<input type="checkbox"/>
	No
	<input type="checkbox"/>
	Yes

If "Yes" - List Restrictions Based on:

Time:

a) _____

b) _____

Purpose:

a) _____

b) _____

Both: (time and purpose)

a) _____

b) _____

OR	<input type="checkbox"/>	Temporarily Restricted	<input type="checkbox"/>
	<input type="checkbox"/>	Permanently Restricted	<input type="checkbox"/>

Step #4

Timing and Effect on Income:

Identify Key Timing Issue:

1) _____

Recognize Income:

- Current
 Future

Propose Journal Entry:

Debit) _____

Debit) _____

Credit) _____

Credit) _____

Step #5

Donor Management and Compliance:

Documentation:

a) _____

b) _____

Acknowledgement: (method)

a) _____

b) _____

Donor Files and Database Information: (what is important to keep?)

a) _____

b) _____

c) _____

d) _____