

PROCEDURE

Series:	Cash Management	COA: FIN 2, 7.02, 7.03, 7.05
		CFOP:

Procedure Name: Cash Contributions, Pledges and Donated Goods and Services

Procedure Number: CM160

Reviewed Date: 2/20/13, 10/21/15, 04/16/24, 11/11/2025

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Effective Date: 10/01/04

Applicable to: All Family Partnerships of Central Florida Staff

PURPOSE: To record and acknowledge all cash contributions, pledges, and donated goods and services into the accounting system and the donor database.

PROCEDURE:

References

Policies/Procedures: GOV-202, CM-140, CM-170, GOV-005, GOV-205, GOV-208, PBR-3006

Cash Receipt Mail Log

Volunteer Hours Tracking Form

Definitions

Pledge: A contribution promise in a written or oral agreement to contribute cash or other assets to FPOCF; however, to be recognized in financial statements there must be sufficient evidence in the form of verifiable documentation that a promise occurred and has been received. A communication of a contribution promise is considered an unconditional promise to give if it indicates an unconditional intention to give that is legally enforceable.

Cash Contributions

1. When a cash contribution is received, procedure CM-140 – Cash Receipts Controls is to be followed.
2. A copy of the check and any supporting documentation for any contribution is forwarded to the Public Relations Coordinator or designee for documenting the transaction in the donor database of record.

Pledges

At FPOCF, the general rule is that pledges will be recognized when received. However, if a pledge is conditional, it will not be recognized until the condition is met. A condition is a “donor” imposed triggering event. Once the trigger event/condition occurs, the pledge will be recognized by FPOCF.

It should be noted that conditions are different from restrictions. A donor-imposed condition on a promise to give specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets transferred or releases the promisor from its obligation to transfer assets promised. In contrast, a donor-imposed restriction limits the use of contributed assets; i.e., it specifies a use.

Supporting documentation provided with the pledge is attached to the journal entry for Finance Department recording and filing.

Copies of the pledge and any supporting documentation will be provided to the Public Relations staff member for the Public Affairs Department recording and filing.

Donated Goods and Services

1. Donated Goods (Gift in Kind)

Donated items that can be used or sold by an organization should be recognized as contributions and recorded as follows:

- Donated items to be sold should be recognized at their fair market value as outlined in procedure PBR-3006, Fair Market Value Measurements. When these items are sold, any difference between the original contribution amount recorded and the ultimate sales price should be entered as an adjustment to the contribution revenue previously recorded.
- Donated items to be used should be recognized at their fair market value as outlined in procedure PBR-3006, Fair Market Value Measurements. As these items are used, they should be depreciated over their useful lives.

All donated goods and services initial entry into FPOCF will be through the Public Relations Department. The Public Relations staff member is responsible for providing a monthly spreadsheet listing all donated goods to the Finance Department for recording in the general ledger that contains:

- The date the donation was received.
- A description of the item being donated.
- Fair Market Value as outlined in procedure PBR-3006, Fair Market Value Measurements.
- Donor's name or business.
- Program benefiting from the donated goods.

2. Donated Services

When to Record

Donated services should be reported in the general ledger if and only if the services create a non-monetary asset or if the services meet all three of the following criteria:

1. Would typically need to be purchased by the organization if they were not provided by contribution, and
2. Require specialized skill, and
3. Are provided by individuals with that specialized skill.

Accounting guidelines do not give the definition of specialized skill, but they do list examples, such as accounting, financial, constructions, educational, electrical, legal, and medical.

When FPOCF engages a volunteer to perform services, determination will need to be made as to whether the service meets all criteria above. If the services do not, then no further action is necessary. If the volunteer services meet the criteria above, the process below should be followed:

Volunteers track their hours and activities through our volunteer management system. This information is shared with the appropriate parties on a monthly basis.

Data to Record

When donated services are recorded, they should be reported at their fair market value as outlined in procedure PBR-3006, Fair Market Value Measurements. The following items will also be required for the donated services to be recorded in the general ledger.

1. A description of the programs or activities for which those services were used.
2. The nature and extent of services received for the period.
3. The amount recognized as revenue for the period will be recorded.

BY DIRECTION OF THE PRESIDENT AND
CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
President and Chief Executive Officer
Family Partnerships of Central Florida

APPROVAL DATE: 12/09/2025