



## GUIDANCE STATEMENT 2021-2: IN KIND CONTRIBUTION

*May 21, 2021*

***Replaces 2014-2***

Approved In-Kind contributions may be used by libraries that do not receive enough cash funding to meet the Match requirement of the [WVLC Administrative Rule](#).

- 3.4. Local funds received in the previous fiscal year equal or exceed the maximum Grant-in-Aid established for the library. Local non-tax based funds used as matching funds cannot exceed the amount of local tax based funds.

### REQUESTING APPROVAL

- Requests must be submitted annually to the Secretary of the Library Commission. There is no specific form for requesting approval. E-mail requests are preferred but faxed and surface mailed requests are accepted.
- Requests must be submitted for the full amount of In-Kind Contribution(s) received if the library plans to use any part of that contribution to meet the Match requirement.
- All requests must be received no later than August 15 of the current year.
- Requests must include documentation from the donor.
- Approval is for the current fiscal year only.

### WHAT ARE IN-KIND CONTRIBUTIONS?

- An In-kind Contribution is a good or service given to the library in lieu of cash.
- To be approved as part of the Match, the contribution must relieve the library of an expense that it would otherwise pay as part of its normal operating expenditures.
- In-Kind contributions may be made by both tax-based and non-tax-based entities.
- To be approved, In-Kind Contributions must:
  - Contribute to the operational functions of the library;
  - Have a specific dollar value determined by the entity making the donation;
  - Be documented by the entity making the donation.

- Examples
  - **Approvable**
    - The city provides lawn maintenance for the library and provides the library with documentation concerning the annual dollar value of that service. Lawn maintenance is a normal operating expense.
    - A local company assumes responsibility for the library's water/sewer service and provides the library with documentation concerning the annual dollar value of that service.
  - **Not Approvable**
    - Offenders sentenced to community service in the library. The Court is not donating a service but sentencing offenders to community service in lieu of jail time. A dollar figure cost to the Court cannot be applied. The Library would not normally hire someone to do these specific duties.
    - The value of donated books. Although books are an operational expense of the library, the library has no control over the selection or quality of donated books. When deciding to accept In-Kind Contributions as part of the Match requirement, the Library Commission excluded decided book donations.

## REPORTING APPROVED IN-KIND CONTRIBUTIONS

- After receiving a request, the Library Commission Executive Secretary notifies the requesting library of approval/disapproval.
- Approved in-kind contributions must be reported in the library's annual Bibliostat report.
  - The amount being used to meet the Match is reported on the appropriate line in the INCOME section (Section 8) of the report (City In-Kind; County Commission In-Kind; BOE In-Kind; Other Local Operating Income In-Kind).
    - For each In-Kind item entered, the librarian adds a **State Note** indicating the full amount approved by the Library Commission and the date of the approval.
- The amount of In-Kind income used to meet the Match requirement must also be reported on the corresponding lines in the **EXPENDITURE** section (section 10) of the report.

- In a **State Note** for those lines, the library indicates the full amount approved by the Library Commission and the date of the approval letter.

### **SPECIAL NOTE**

- If initial implementation of this revised procedure adversely affects a library's three-year Maintenance of Effort (MOE) average, the library may apply for a waiver of the MOE requirement with an explanation about the revised procedure.
  - It is possible the library may have to apply for a waiver for 2 consecutive years until the new average is established.