

Gifts-in-kind

Many charities accept gifts-in-kind to fulfill their mission. Examples of gifts-in-kind can include medicines, medical supplies, clothing and household goods, books, building supplies and so on. Gifts-in-kind are recorded on financial statements according to GAAP standards (Generally Accepted Accounting Principles) and industry standards. Gifts-in-kind are valued and recorded as revenue at their estimated fair value. Gift-in-kind are an invaluable source of revenue for many charities.

Examples of charities who receive gifts-in-kind include World Vision who receive medicines, medical supplies, office supplies, books, and household supplies; and Canadian Feed the Children who receive medicines and other products to support their mission.

For years, organizations have been using Public Service Announcements (PSA) to help deliver their message to Canadian television viewing audiences. However, it has been difficult to measure the success of an organization's PSA campaign without an accurate report of its television airplay and an assessment of the dollar value and audience reach of that airplay. The Canadian Radio Television and Telecommunications Commission (CRTC) is an independent public authority that regulates and supervises broadcasting and telecommunications in Canada. Every television station operating in Canada must obtain a broadcast license from the CRTC and is bound by its laws, regulations, and guidelines. Each licensee must file a program log with the CRTC every month, and certify the accuracy of its contents. These PSA logs are then analyzed to determine audience reach and calculate the dollar value of the PSA airplay.

MADD Canada has delivered millions of PSAs via Canadian television since early 1990s but to date has not been able to verify the value of these PSAs like one would a product such as a book or medicines. MADD Canada has not received any credit for this contribution to Canadian society unlike those who would receive and report on gifts-in-kind of product in their financial statements. The MADD PSAs are a part of the Canadian landscape and have had tremendous impact on Canadians attitudes and behaviours towards impaired driving. MADD Canada is now able to determine the fair value of its PSAs based on these PSA airplay logs. These logs are evaluated by a third party and then verified by our auditors for accuracy. Our auditors, Ernst & Young confirm the process and the accuracy of these PSA airplay reports.

MADD Canada has delivered thousands of spots on Canadian Television. MADD Canada is an organization that prides itself on its transparency and as such posts its budget, its financial statements, and its annual T3010 return for the Canada Revenue Agency on its website. MADD Canada's budgets and financial statements report on these gifts-in-kind PSAs to ensure full transparency.