Guidance on calculating in-kind support

In-kind support is defined as a good or service that is provided either at no cost or a discounted rate that would otherwise have had to be paid for in part or in full. For consideration as a contribution towards an initiative that is intended to be supported with a Lotterywest grant, in-kind support must be directly related to achieving the initiative's intended outcomes/impact. It can be provided by either an applicant organisation or a third party.

Below are methods that can be used to determine a fair value for an initiative's in-kind support.

Please note that any reasonable method of estimating the in-kind value can be used, even if it is not included below.

Ways to determine value for in-kind support

Category	Guidance
Volunteer labour	• For general volunteers (e.g. event ushers, tree planting) use the Volunteering WA Volunteer Benefits calculator ○ Unless volunteers are from a specific age group, use the 'All ages' category. • Where a volunteer is providing a specialist skill set, the value is what that volunteer would normally charge for their time. E.g. If a lawyer is volunteering their time to review contracts that are specifically for the initiative, the value of in-kind is the amount they would normally charge a not-for-profit client. • If an organisation recognises volunteer labour on their balance sheet in accordance with the Australian Accounting Standards, the same method can be used.
Staff labour	When contemplating if staff labour should be assessed as being a cash or in-kind contribution, consider whether the staff member is working 'on' the initiative, or 'around' the initiative. In many instances, when a staff member is working 'on' the initiative Lotterywest will consider it a cash contribution. Staff labour as a cash contribution • Staff labour and associated on costs are a cash contribution when the staff member is involved directly in the delivery of the initiative, for substantial periods of time (e.g. not just an hour a day, twice per week). • If the staff member is working on the initiative part-time, amongst other duties, the cash contribution should be pro-rata of their total wage (e.g. if their wage is $1,500 per week, but they work on the initiative approx. two days per week, the cash contribution would be $600 per week for the duration of the initiative). • Note: If the staff member's wage is being paid for by another funding source (e.g. a different grant), this would fall under 'other cash

	contribution' (e.g. if an employee is being paid by DSS funding to deliver CER). <u>Staff labour as an in-kind contribution</u> Staff labour can be included as in-kind where: • The staff member is involved in general administrative and/or support duties directly related to the initiative. For example, general oversight by an organisation's leadership or administrative support for an event including tracking RSVPs or organising catering. • Salary on-costs can be included at the same levels as detailed within the Discretionary Grants Eligibility Policy. • This type of staff labour should not be included as in-kind if Lotterywest is providing funding for 'administrative costs' associated with the initiative. Do not include staff labour as either in-kind or cash contributions where it is for general duties that the staff member would undertake regardless of the Lotterywest funded activity taking place (e.g. a receptionist staffing the front desk, human resource management, general organisational marketing).
Goods and services	The value of donated/discounted goods and services should be based on the cost that the organisation would otherwise pay for the goods or services. • If the organisation is receiving something for free but would normally pay a cheaper 'not-for-profit' or 'community' rate, the value should be that rate (not the full commercial rate). • Where a discount is being offered, the value of in-kind is the difference between what the organisation would pay at full price, and the discounted rate. For example, if materials would normally cost $1,000, but a third party is discounting them by 30%, the in-kind value would be $300. • Where the goods or services are provided by a third party and are of significant value in relation to the overall initiative cost, the GDO may request evidence of their value (via supplier quote/estimate or similar). <u>Examples of in-kind goods might include:</u> • Audio Visual equipment provided at a discounted rate for a conference. • Trees donated for a tree-planting initiative. • Access to an external venue for a community event (please see notes on land and buildings below). • Use of a car for activity associated with the initiative (please see notes on vehicles below).

	Examples of in-kind services might include: • Marketing/advertising consultancy for an event. • At-cost plumbing services for a fit out or new build. • Access to unique databases for research and/or planning. • Licences provided at no cost for use of Intellectual Property.
Land and buildings	To determine the value of donated/discounted land or buildings: • For short-term, temporary use of a venue (e.g. use of a community spaces, meeting rooms, or performing arts venue etc.) use the guidance under 'Goods and Services'. • Where ownership of the land/building is transferred at low/no cost to an organisation for use on the funded initiative (e.g. donation of land for a FDV shelter to be built), the value should be the amount that is recognised on the organisation's balance sheet. • Where land/buildings are provided to an organisation on a 'peppercorn lease'*, the value should be the difference between the fair value of the lease and the amount the organisation pays. The fair value of the lease should be recognised on the balance sheet, and the organisation can advise of the amount they pay (or it will be included as an expense on their Income and Expenditure (I&E) reports). • General use of office space/desks/utilities for the organisation's BAU office should not be included as in-kind (see Administration, overheads and other indirect costs). *A 'peppercorn lease' is where lease payments paid by an organisation do not reflect the fair value of the property being leased.

Vehicles	To determine the value of donated/discounted vehicles:
	• Where the vehicle being used is a regular vehicle that is provided by a third party (e.g. hire car company) at a discounted rate or no cost, use the guidance detailed under 'Goods and Services'.
	• Where the vehicle being used is a regular vehicle that the organisation owns (e.g. 4WD, SUV, station wagon etc.) there are several methods that could be used:
	    o The Australian Tax Office's cents per kilometre rate. This might be suitable where fuel is included as in-kind.
	    o Using the depreciated value of the vehicle (that is, the difference in value of vehicle between the start and the end of the project).
	    o Any of the methods outlined by the Australian Tax Office. Be sure to consider fuel costs.
	• Where the vehicle being used is a specialist vehicle (e.g. tractor, helicopter etc.), the value should be that which the company would pay if the vehicle was not being provided in-kind.

Administration, overheads and indirect costs	Administration, overheads and indirect costs should not be included as in-kind contributions. These costs include, but are not limited to: general office space, utilities, fundraising costs, IT costs, human resource management, general marketing activities etc.