

PRODUCT RESOURCES COOPERATIVE AGREEMENT

WHEREAS, World Vision has offered to provide and supply certain donated products as available to _____, a 501(c)3 charity or organization with a mission and ethos consistent with World Vision, hereinafter referred to as “Partner Organization,” and; whereas, Partner Organization has warranted to the title owner, World Vision, that all items received will be duly inspected by a qualified member of their staff and found fit for human consumption (if applicable), or they will not be accepted,

Therefore, Partner Organization thereby warrants, represents, and guarantees as follows:

1. That World Vision and the original donor have specifically disclaimed any warranties or representations, expressed or implied, as to the purity or fitness for consumption/use of any or all such donated items.
2. That all items accepted are accepted in an “as is” condition.
3. That Partner Organization and subsequent recipient organizations will utilize employees or volunteers having sufficient training and orientation in the safe and proper use of donated items.
4. That Partner Organization and subsequent recipient organizations, because of the qualification of its personnel, as above specified, hereby accepts full responsibility for the purity and fitness for human consumption or use of any and all items accepted.
5. That Partner Organization and subsequent recipient organizations will serve/use the product within six months, to provide maximum utility.
6. That Partner Organization and subsequent recipient organizations hereby warrant and guarantee to World Vision and to the original donor that it will hold them harmless of action, suits of law or inequity, or any obligation whatsoever arising out of or attributed to any action by the Partner Organization and subsequent recipient organizations in connection with its storage, use and/or transportation of the items supplied to it by World Vision.
7. That Partner Organization and subsequent recipient organizations will use the donation solely for projects within its organization relating to its mission/exempt purpose and solely for the ill, the needy, or infants.



8. That Partner Organization and subsequent recipient organizations will neither offer for sale, sell, transfer, nor barter the products supplied by World Vision in exchange for money, other properties, or services unless written consent is received from World Vision’s GIK department and the original donor (per Interagency AERDO standards).

9. That Partner Organization and subsequent recipient organizations accepts the AERDO GIK Standards in its valuation, reporting, and other GIK-related practices.

10. That Partner Organization and subsequent recipient organizations will not give this donation to another U.S. nonprofit organization if that organization intends to directly pass the GIK on without adding value to it, as addressed in the AERDO GIK Standards. Furthermore, if a Partner organization or subsequent recipient organization is not the end-user (distributing the GIK to the end-use beneficiary or using the GIK in its operations) Partner Organization and subsequent recipient organizations agree that it will only accept a GIK donation if it adds value to the GIK received from World Vision, otherwise it will make every effort to remove itself as a recipient of the GIK.

11. That Partner Organization agrees to provide end-use documentation.

12. Partner Organization hereby guarantees that all of the above requirements will be applied to subsequent recipient organizations.

The undersigned hereby warrants that he/she is a legally warranted and authorized agent of the Partner Organization, whose name appears below, and by his/her signature does hereby bind it to the terms, conditions, and limitations of this document of release.

PRINT NAME OF AGENT _____

TITLE _____

Must be Executive Director, Senior Pastor, or School Principal

NAME OF ORGANIZATION _____

MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____

TELEPHONE NUMBER _____ FAX _____

E-MAIL _____

DATED THIS _____ DAY OF _____, 20 _____

SIGNATURE _____

Attachment: AERDO Standards

SUMMARY OF GIK INTERAGENCY STANDARDS

The purpose of the Interagency standards as developed by AERDO (Association of Evangelical Relief and Development Organizations) is to establish and maintain a set of “industry standards” with respect to the procurement, documentation, financial reporting, use, and overall practices with respect to private gifts-in-kind (GIK). Because donors receive tax write-offs for donations of GIK, it needs to be distributed according to IRS requirements. What follows are some critical points that you need to know, taken as excerpts from the original document.

Standard #1 - Compliance with Agency Mission: All gift-in-kind (GIK) donations must be used in furtherance of the tax-exempt mission, purpose, and program objectives of the recipient non-profit.

Standard #2 - Product Appropriateness: Each non-profit shall have established written policies and procedures for screening GIK prior to acceptance from the donor and utilization to ensure cultural, social, and programmatic appropriateness. No out-dated products manufactured for human consumption should ever be accepted or shipped. Dating on product should be sufficient to secure, accept, value, distribute, dispense, and distribute to be consumed by the intended individual recipients prior to the expiration date.

Pharmaceutical and medical equipment donations should be guided and informed by World Health Organization (WHO) guidelines.

Standard #3 - Valuation Recording Practices: GIK contributions received shall be valued at their fair values as of the date of donation (*FASB ASC 958-605-30-2*).

Standard #4 - Required Documentation: All GIK recorded as revenue and expense by a non-profit organization needs to be supported by documentation relating to product value, donated inventory, verification of receipt, and record of end-use or transfer. Although it is not necessary to obtain a record of end-use prior to recording revenue and expense, the document should be obtained for monitoring and evaluation purposes.

Standard #5 - Recognition of Revenue and Expense: The number of organizations accepting a GIK donation should be limited to those which have critical roles to fulfill in order to help those in need, prioritizing the best interests of the public over the best interests of the charity. Generally, a GIK donation should not be accepted by an organization if acceptance will result in more NPOs than necessary recognizing the GIK revenue between the time it is received from the original donor and when it is given to the end-user. In combination with Standard #1, this guidance will normally limit the organizations which should recognize revenue to those organizations that either had a direct role in the procurement of the GIK from the original donor or distributed the GIK to the final beneficiary. Any other NPO receiving GIK as a donation recipient should only accept the donation if it will take physical possession of the GIK and add significant value by increasing the utility of the GIK, not simply add value to the GIK transaction by providing storage or transportation.

Standard #6 - Service Fees Charged by NPO Service Agencies: Service fees charged when one NPO donates a gift-in-kind donation to another must not be based upon the value of those gifts but should reflect the expenses incurred to administrate, process, warehouse, manage and handle the GIK provided.

Standard #7 - Disclosure: Financial statements should disclose information about the valuation, source, and use of GIK. The basis and method for valuing donated GIK should be disclosed in an organization's financial statements.