

## ERiac CONTRIBUTION POLICY

### BACKGROUND PAPER

#### The Principle of Contribution

The principle of contribution, consecrated in the six founding principles, reflects ERIAC's philosophy and transcends the Institute's establishment, core functions, governance, structure and membership.

ERiac accepts donations and contributions from anyone.

In accordance with ERIAC's founding principles, the membership is based on contribution in terms of financial, intellectual, material and creative resources, in order to strengthen ERIAC's impact. Also, according to the Membership Charter point 20. „in exceptional cases, the in-kind contributions may be accepted in substitution of the annual membership fee.”<sup>1</sup>

ERiac recognizes recent years in the nonprofit sector in which the management focuses more on in-kind contributing and the challenge of developing the mechanism for monitoring. As a general rule at ERIAC, in-kind contributions will be accompanied by explicit agreement setting rules and regulations for both sides, term of use and the nature of the transaction. The agreement has to be explicative regarding the purpose of the in-kind donation. This document can be used to refer in the case of any legal disputes and help both parties set their expectations.

#### In-kind contributions at ERIAC

As in-kind contributions could be goods, services and time there are vast numbers of possibilities on how to utilize it. This document suggests different types of contributions; this is not an exhaustive list but rather an overview of traditional use of in-kind contributions applied to support implementation of ERIAC's mission.

At ERIAC, all goods, services or time as oppose to cash transfer are considered as in-kind contributions. The following types of in-kind contributions are identified:

- 1. Cultural artefacts and products such as artworks, books, publications, copyrights, traditional crafts, traditional artefacts, etc.** This option includes education materials such as books as well as music (CDs) and its usage in accordance with copyrights rules and regulations. Artworks and art/cultural products beside its aesthetic, sentimental, cultural, ritualistic and other values also transmit financial value. The usage of its financial value depends on the organization's capitalization policy for collection items. ERIAC as an organization that obtains work-of-art, historical treasure or similar asset, will record such donations as an asset and in-kind contribution. In this way ERIAC can estimate the value of the given asset and quantify its value. This can

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<sup>1</sup> ERIAC, Membership charter, [https://eriac.org/wp-content/uploads/2018/06/ERiac-Membership-Charter\\_approved-1.pdf](https://eriac.org/wp-content/uploads/2018/06/ERiac-Membership-Charter_approved-1.pdf), p:3

be important in case in the future ERIAC will create auctions. In that case, a separate document will regulate the commercial activity.

2. **Project and operational assistance:** ERIAC accepts as in-kind donations **work-hour** donations in a form of assistance in the event planning, consultations, media coverage, translation, lectures or performances for free etc. ERIAC may seek donated professional time in the particular country where the organization or an individual is settled. It is important to calculate the time that would typically be valued using the hours donated and the project manager's hourly rate based on what is typically charged for similar projects in the local market. This will include assistance with organizing events, advocacy, alliances, writing reports, information sharing related to the ERIAC's mission. Individuals will be available to contribute in the organization and implementation, artist to be available to borrow their artwork for the event or perform and institutions are expected to provide institutional support for the event, meeting or knowledge production. This option beside the professional project manager services also assumes volunteering if the individual capacities are corresponding to that position.
3. **Facilities contributions:** this form of in-kind contribution assumes the use of facilities that an institution rents or owns for the particular time that is needed in case of a training, even or operation. Use of facilities will be valued based on the value of donated space and the rental value of comparable space and facilities in the same area. The value of donated buildings will not exceed the fair market value at the time of donation. Normal partner rates will be used to value logistical support and food. Normal partner rates will be applied to value the use of specialized equipment, processes or production lines.
4. **Material contribution:** this form of in-kind contribution assumes the option of providing office materials, office supplies and gadgets such as copy machine, camera, etc. These materials will be evaluated and the value will be determinate according to the current pricing on the market.

## Monitoring

ERiac will monitor and review in-kind contributions once per year. A database will be created to keep track of the received and used in-kind contributions.

An online form for in-kind contributors is developed, which includes the following details:

- The names of the donor and/or institution in whose name the in-kind donation will be done;
- The date of submission of the in-kind donation;
- A short description of the donation;
- The intended purpose of the donation and description of why it will be valuable to ERIAC;

- The self-declared estimated value of the contribution.

This is the link for the contributions on ERIAC web page:

<https://eriac.org/contribute-to-eriac/>

The existing ERIAC contributions form can be further modified or expanded, if necessary, or a separate online questionnaire can be created for this purpose.

In case associate members opt for in-kind contribution, ERIAC's process of collecting in-kind contributions will be as follows:

1. Donations will be submitted via the application form online;
2. Executive management evaluates, calculates the value, communicates with the donating person/ institution;
3. Board is informed and makes the final approval;
4. Registry and tracking of contributions is evaluated once a year.

### **Registration and data base**

Based on questionnaires, a data base is created to provide an overview of in-kind donation for the purpose of monitoring and tracking. The created in-kind form will facilitate the process of recording, reporting and acknowledging donations/ contributions.

The following information will be collected in the database:

- A detailed description of the donation, noting if the donation was used and, if so, how old it is and its condition;
- The date the contribution/ donation was received by ERIAC;
- The individual's or/and institution's contact information;
- The estimated market value of the contribution and how the value was determined;
- Time with the estimated cost of the time for labor if a person or institution decided to contribute to ERIAC as a project or event assistant, volunteer;
- Estimated cost of the facilities, if an institution or an individual decided on this type of contribution