



Triad Hindu Temple Items Donation Policy

(Food and Non-Food Items)

Notice: This document is provided for the convenience of our members and is intended to clarify current Temple policies in alignment with NC laws, IRS, IRC, FASB, etc. As the Temple grows and regulatory landscapes evolve, the Temple reviews and updates these guidelines periodically to incorporate new learnings, member feedback, and best practices in nonprofit governance. This document version is dated *30-March-2026*.

Tax Disclaimer: This document is for Item-Donations information only and does not constitute tax advice. Technical citations (IRS, IRC, FASB, etc.) describe the Temple's accounting obligations and are not for personal tax filing guidance. THT cannot answer questions regarding personal tax deductions or filings; please consult a tax consultant for your specific tax situation. THT will provide annual contribution statements as usual.

Understanding the Rules: A Guide for Temple Members and the Community

IRS & IRC (Federal Tax Law): Under *IRC 170* and *IRS Rev. Rul. 67-246*, a "donation" is a voluntary transfer of property made without receiving or expecting "quid pro quo" (something in return). It is a gift given with no expectation of getting money back. If you expect to be reimbursed or paid, the transaction is a "purchase" or a "contract for goods," not a donation.

USA Accounting (FASB GAAP): *FASB ASC 958-605* (Revenue Recognition) requires the Temple to track donations. However, under *ASC 958-605-25-16*, items like "homemade food" are generally recorded at a value of \$0 because they do not have a fixed or measurable market price.

NC Law & NC 55A (Nonprofit Law): *NC 55A-13-01* forbids the Temple from giving money to members (called private distributions) by stating that "a corporation shall not make distributions", and *NC 55A-13-02* strictly limits payments to pre-approved and documented business expenses. *IRS 501(c)(3)* similarly prohibits private inurement, ensuring that no part of a religious organization's revenues benefits any private individual. Turning a "donation" into a "bill" after the fact is considered an illegal distribution and violates fiduciary duties under *NC 55A-8-30*, which requires board members to act "in good faith" and in accordance with the Temple's charitable purpose.

USA Banking & Audits: To satisfy *IRS Accountable Plan* requirements, maintain banking transparency, and follow *IRS Pub 1828 (Tax Guide for Religious Organizations)*, the Temple cannot issue checks without a verifiable paper trail. This means every reimbursement requires a third-party store receipt and prior board approval to prove the money wasn't simply given away as a personal monetary favor.

Items Donation Policy: Food and Non-Food Items

1. Food Dish Donations:

- Homemade food dishes donated to the temple are considered **in-kind contributions** [FASB ASC 958-605].
 - Under ASC 958-605-25-16, items such as "homemade food" are generally recorded at a value of \$0 because they do not have a fixed or measurable market price.
- The temple will not assign a monetary value to these donations and will not record them (as the donor's time and services are not tax-deductible under *IRS Publication 526*).

2. Prepackaged Food Donations:

- Prepackaged or commercially packaged food items are considered **in-kind contributions**. Examples include:
 - Sweets and desserts: gulab jamun, rasgulla, etc.,
 - Savory snacks: crackers, namkeen, chips, cookies etc.,
 - Beverages: packaged juice, bottled water, flavored drinks etc.,
 - Packaged grains or pulses: lentils, rice, flour (commercially sealed),
- The temple **will not assign a monetary value** to prepackaged food donations.
- The Temple only accepts prepackaged food that is unopened, unexpired, and in good condition as defined by *IRS Publication 561* (rules for "good used condition or better").
- The Temple reserves the right to refuse any donation that does not meet the immediate needs of the community or suggests 'dumping' behavior.

3. Grocery and Ingredient Donations:

- Donations of groceries or cooking ingredients, including but not limited to:
 - Rice, lentils, flour, cooking oil,
 - Vegetables and fruits,
 - Spices and other cooking ingredients,
 - Milk, ghee, honey,
 - Flowers or all other offerings for rituals/homams/temple operations.
- These donations are considered **in-kind contributions** [NC 55A-1-40] and the temple **will not assign a monetary value**. Once accepted, these are **irrevocable gifts** and not subject to reimbursement.

4. Annadanam Sponsorship:

- Annadanam sponsorship is a **monetary donation** [IRC 170], not an in-kind donation, because the donor contributes **cash or funds**, not a physical item.
- The **entire dollar amount** donated is applied toward the Annadanam program.
- No portion of the donation can be considered or diverted toward payment for annual membership dues or other services (because "quid pro quo" transfers are regulated differently under *IRS Revenue Ruling 67-246*).

5. Non-Food / Other Item Donations:

- If **someone wants to donate a non-food item**, it will **require explicit prior approval** from the Board or designated committee (to ensure the Board meets its Fiduciary Duty of Care under *NC 55A-8-30*).

5.1. Donors Who Do Not Want Reimbursement:

- Items contributed without expectation of reimbursement are classified as in-kind charitable contributions and are considered final and irrevocable upon acceptance.

5.2. Donors Who Request Reimbursement:

- Item donations where the donor requests reimbursement require explicit prior approval and a **written purchase agreement** from the Board or designated committee (to prevent unauthorized distributions under *NC 55A-13-02*).
- Documentation is required (to satisfy *IRS Accountable Plan* requirements [*IRC 62(c)* and *Treas. Reg. 1.62-2*] and ensure transparency for banking compliance), including:
 - **Original third-party receipts** as proof of purchase, and
 - **Donor request for reimbursement** (submitted **prior to the purchase**).
- **Full Reimbursement for Item:** If the Temple provides full reimbursement for the item, the transaction is categorized as a **standard business purchase** and not a charitable donation. Because the donor has been fully paid, no tax-deductible contribution has occurred under *IRC 170*, and no donation receipt will be issued. Once reimbursed, the item becomes the property of the Temple.
- **No Partial Reimbursements for Items:** To comply with *FASB ASC 958 (ASU 2018-08 / 2020-07)* and avoid complex disclosure mandates for 'quid pro quo' contributions under *IRC 6115*, the Temple does not offer partial reimbursements. Transactions must be either a 100% charitable item gift or a 100% standard item purchase to ensure an unambiguous audit trail and prevent "private inurement" concerns [*IRS Pub 1828*].

5.3. Categorization of Donated Items:

- Item acquisitions (with or without reimbursement) are categorized as **Nonfinancial Assets** [*FASB ASC 958 / ASU 2020-07*] **for use at the Temple's sole discretion**. The Temple **provides no valuations** for such items; for personal tax reporting, the donor is solely responsible for determining Fair Market Value [*IRS Pubs 526 / 561*].
- An item, its presumed value, or any reimbursement will not be counted or diverted toward, and is strictly excluded from, payment of **annual membership dues**, which is a separate transaction under *FASB ASC 958* that requires: (i) the contributor to submit the annual membership form, (ii) payment of a specific dollar amount for the relevant membership type (family, single, or student), and (iii) the payment not being applied to any other program, transaction, or service.

5.4. Membership Dues:

Please refer to the document on 'Membership FAQ', available on the temple website. Please email treasurer@triadhindutemple.org if you cannot locate the document.

6. Key Principles:

1. **All food donations** (homemade, prepackaged, or groceries) are treated as **in-kind contributions**; monetary value is generally not assigned (to protect the Temple from valuation disputes; *FASB ASC 958*).
2. **Annadanam sponsorship** is a **cash donation** and fully applied to the program; no splitting or diversion toward payment of annual membership dues, other dues, or other purposes (to maintain *501(c)(3)* tax-exempt status and avoid private inurement).
3. **Non-food donations** can be either reimbursed or non-reimbursed; treatment depends on donor preference and prior board approval [*NC 55A-13-02*].

7. Note:

- To allow time for processing, please submit requests for reimbursement within **30 days** of the actual purchase or receipt date. Requests for reimbursement submitted after 60 days of the actual purchase or receipt date will be denied. This policy ensures the Temple remains compliant with the 'reasonable period' safe harbor provisions established under *IRC 62(c)* and *Treas. Reg. 1.62-2(g)*, as summarized in *IRS Publication 463*.
- **Rejection of Unauthorized Invoices:** The Board reserves the right to summarily reject any invoice, demand, or request for reimbursement for items previously delivered as "donations" without a prior written purchase agreement.
 - Under *NC 55A-13-02*, paying such retroactive claims constitutes an unlawful distribution of nonprofit assets and places the Temple's *IRS 501(c)(3)* status at risk.
- To protect the Temple's tax-exempt status and prevent harassment, any items delivered without prior approval or that do not meet quality standards will be **disposed** of.
- The Temple will not issue any acknowledgement for items deemed **unusable**, as they do not constitute a "charitable contribution" under *IRC 170*.
- This policy is established to ensure compliance with the *NC 55A* and *IRS 501(c)(3)* regulations. All financial transactions, including in-kind receipts and reimbursement checks, are subject to periodic audit by the Board (of Directors/Trustees) or an appointed CPA. Any attempt to circumvent these rules by demanding reimbursement for items previously declared as donations may be reported as a violation of regulations and could result in the permanent rejection of future item contributions from the involved party.

Continuous Improvement & Feedback: The Temple remains committed to financial transparency and operational excellence. This document is a living resource that may be amended at the Temple's discretion to reflect updated regulatory landscapes or to address recurring administrative questions. We value constructive feedback that helps us serve our community more effectively. To ensure consistent and fair application for all members, individual exceptions to these established policies cannot be granted.