Extra Inventory? Donate It

Gary C. Smith, President and Chief Executive Officer, National Association for the Exchange of Industrial Resources (NAEIR)

Corporations support charities, clear space and get tax breaks by donating excess inventory.

When Children's Wish Foundation International, an Atlanta-based charity, hosts scrapbooking or craft parties for children in the hospital, it turns to a gifts-in-kind organization and its catalog of donated merchandise for supplies. The two organizations then coordinate shipments of stuffed animals, Halloween costumes, craft materials, toys, videos and other items to hospitals to help fulfill the wishes of children in need.

Donations from corporations make it all possible. And all they have to do is send off their donations to gift-in-kind organizations like www.naeir.org [1], which redistribute donations of new, overstock and discontinued products to schools, churches and other nonprofit organizations in need of supplies. Donating companies not only fulfill philanthropy and corporate social responsibility efforts, they also benefit from the enhanced tax deduction, which enables companies to receive an up to twice-cost federal tax deductions.

Companies like Microsoft, Stanley Tools, 3M, Newell Rubbermaid, Rand McNally, Reebok, Gillette, Xerox, Hallmark and thousands of others make such contributions, supporting charitable causes while at the same time taking advantage of tax deductions, reducing storage costs, clearing warehouse space and avoiding hassles with liquidators. And as an added bonus, huge amounts of materials are reused and prevented from heading directly to our nation's landfills.

Gifts-in-kind organizations typically provide free services to donating corporations, and shipments can range from one box to dozens of truckloads. Items donated include office supplies, class materials, clothing and shoes, maintenance items,

tools and hardware, toys and games, computer software, sporting goods, books, tapes, CDs, arts and crafts, personal care items, holiday and party items, janitorial supplies and more.

Hallmark Cards, Inc. has donated excess inventory for more than 11 years. The company donates gift bags, gift wrap, party supplies, cards and plush animals, which are then collected, distributed and met with many smiles at schools and hospitals around the country.

Newell Rubbermaid also uses gifts-in-kind donations to help manage its stock issues and fulfill its mission to be a good corporate citizen. “These donations are a very efficient and effective means to help us deal with stock situations, and our products get funneled to people who might not otherwise have easy access to it,” says Art Swanson, strategic sales manager at Newell Rubbermaid.

Small businesses also can contribute, and if a bill currently up for consideration in the U.S. House of Representatives passes, they’ll be able to benefit from tax deductions too. H.R. 2592, the Charitable Contribution and Parity Enhancement Act, would allow thousands of S corporations and other small businesses throughout the country to take advantage of IRC Section 170(e)(3), which provides a tax benefit for donating excess inventory that previously had been available only to C corporations.

Gary C. Smith is the President and Chief Executive Officer of the National Association for the Exchange of Industrial Resources (NAEIR), the oldest and largest gifts-in-kind organization in the country. NAEIR solicits and receives donations of excess inventory from American corporations and distributes the material to a membership base of more than 13,000 charities. It has collected and redistributed over $3 billion worth of new, donated supplies and equipment since its founding in 1977. www.NAEIR.org *[1]*

Source URL (retrieved on *03/26/2015 - 6:46pm*):
http://www.foodmanufacturing.com/articles/2013/02/extra-inventory-donate-it

Links:
[1] http://www.naeir.org/