

**Table 5-1**

**Indicators Useful in Distinguishing Contributions From Exchange Transactions**

<u>Indicator</u>	<u>Contribution</u>	<u>Exchange Transaction</u>
Recipient not-for-profit organization's (NPO's) intent in soliciting the asset <sup>1</sup>	Recipient NPO asserts that it is soliciting the asset as a contribution.	Recipient NPO asserts that it is seeking resources in exchange for specified benefits.
Resource provider's expressed intent about the purpose of the asset to be provided by recipient NPO	Resource provider asserts that it is making a donation to support the NPO's programs.	Resource provider asserts that it is transferring resources in exchange for specified benefits.
Method of delivery	The time or place of delivery of the asset to be provided by the recipient NPO to third-party recipients is at the discretion of the NPO.	The method of delivery of the asset to be provided by the recipient NPO to third-party recipients is specified by the resource provider.
Method of determining amount of payment	The resource provider determines the amount of the payment.	Payment by the resource provider equals the value of the assets to be provided by the recipient NPO, or the assets' cost plus markup; the total payment is based on the quantity of assets to be provided.
Penalties assessed if NPO fails to make timely delivery of assets	Penalties are limited to the delivery of assets already produced and the return of the unspent amount. (The NPO is not penalized for nonperformance.)	Provisions for economic penalties exist beyond the amount of payment. (The NPO is penalized for nonperformance.)
Delivery of assets to be provided by the recipient NPO	Assets are to be delivered to individuals or organizations other than the resource provider.	Assets are to be delivered to the resource provider or to individuals or organizations closely connected to the resource provider.

<sup>1</sup> This table refers to assets. Assets may include services. The terms assets and services are used interchangeably in this table.