

# Donated PPE: Reporting in US GAAP and Single Audit Financial Statements

By Keith A. Solomon, CPA, Partner, and Menachem Gongola, CPA, Senior Manager

Due to severe shortages of personal protective equipment (PPE) during the coronavirus pandemic, many not-for-profit entities received donated PPE such as masks, face shields, hand sanitizer and gloves. Below are two reminders for accounting for donated PPE in your December 31, 2020 U.S GAAP financial statements and the Single Audit:

- **U.S. GAAP not-for-profit financial statements** – Donated PPE is considered for financial statement purposes as a gift in-kind. Gifts in-kind are donations of tangible and intangible personal property and contributions of services made to a not-for-profit. Donated PPE is required to be reported in the financial statements as revenue at the fair market value of the PPE when these items were received by the entity.
- **Single Audit** – The fair market value of donated PPE received should be included in a stand-alone footnote to the Schedule of Expenditures of Federal Awards. The footnote may be marked as “unaudited” because donated PPE has no bearing on the Single Audit. Specifically, donated PPE will not be included for purposes of determining the threshold for a Single Audit or determining the Type A/B program threshold for major programs. In addition, donated PPE is not required to be audited as a major program.

## Contact Us

The Healthcare Practice at PKF O’Connor Davies is available to assist you with the various compliance, reporting and other requirements imposed by federal agencies. We also provide a full spectrum of audit, tax and consulting services for Healthcare not-for-profit and for-profit entities. For more information, please contact your client service partner or any of the following:

Keith A. Solomon, CPA  
Partner  
Healthcare Practice Co-Leader  
[ksolomon@pkfod.com](mailto:ksolomon@pkfod.com)

Menachem Gongola, CPA  
Senior Manager  
[mgongola@pkfod.com](mailto:mgongola@pkfod.com)

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