

# Frequently Asked Questions



## **What is NAEIR?**

NAEIR, the National Association for the Exchange of Industrial Resources, is a 501 (c)(3) nonprofit organization that solicits donations of valuable, new merchandise from U.S. corporations and redistributes the merchandise to its members, including schools, churches and other nonprofit organizations.

## **Why should our company donate its excess inventory to NAEIR?**

Most corporations donate to earn the federal income tax deduction. For regular (C) corporations, the deduction is equal to the cost of the inventory donated, plus half the difference between cost and fair market selling price. Deductions may be up to twice cost.

## **But we are an S corporation and only earn a straight cost deduction. What is the benefit for us?**

The second most frequent reason for donating is to clear out warehouse space, and that certainly applies to S corporations, partnerships and sole proprietorships, too.

## **We've got excess inventory, but warehouse space is not a problem. Tell me why we should donate to NAEIR instead of clearing product through liquidators.**

Sometimes, liquidating is the right solution, but there are times when it makes more sense to donate. Let's say you've got a high-end product or line. You don't want to liquidate because those products will end up in discount houses - maybe competing against you, and maybe damaging your regular suggested retail price. Depending on your markup, you can often come out better at tax time by donating and claiming the deduction.

## **What is the donation process with NAEIR?**

We require that you send us a proposal of the products that you wish to donate. Once that list is approved by NAEIR's Donor Review Committee, they will send shipping labels along with new donor information. The donation will be shipped to NAEIR's warehouse in Galesburg, Illinois. Within 2 weeks of receiving the donation, donors will be sent the tax documentation needed to claim their federal income tax deduction.

## **Do we have to pay for shipping to get our inventory to your facility?**

Yes, but that expense is also tax deductible. Our Traffic Department can often arrange excellent rates for you because of the volume of business we do with carriers.

## **What kinds of merchandise can be donated?**

NAEIR collects donations of new, overstock inventory from thousands of U.S. manufacturers, wholesalers and retailers. NAEIR only accepts donations of items that the members want and need, including school and office supplies, computer software and accessories, holiday and party goods, toys and games, arts and crafts supplies, dolls and stuffed animals, audio and video tapes, janitorial supplies and maintenance materials and much more.

## **In the end, who will receive our goods?**

NAEIR's membership base is composed of more than 9,500 schools, churches, and 501 (c)(3) nonprofit organizations all over the country. Your product will go to students, as well as ill and needy people in nursing homes, hospitals, shelters for abused women and children, along with social service agencies, camps, homes for the developmentally disabled, and a variety of other nonprofit groups. Your goods may also be used in the administration or maintenance of these organizations.

We require that members sign an application form attesting that they understand the terms and conditions of NAEIR membership which includes that they will use the goods for the care of the ill, needy or minors, and that they will not barter, trade or sell the items.