

Calculate Your Organization's Annual Operating Income (AOI)
Definitions are provided for italicized terms in the glossary.

1. Enter Total Operating Revenue Less In-kind from your DataArts Funder Report.
Total Operating Revenue Less *In-kind*, appears on the DataArts Funder report under Financial Summary - Operating Revenue, usually on page 3.

Amounts to be subtracted from Line 1.

2. Unrestricted income used for the purchase of fixed assets or for capital improvements
If you used any unrestricted income for *fixed assets* or for *capital improvements*, subtract that amount here.
3. Temporarily or Permanently Restricted Income
For this item, if you are using your DataArts Funder report, you will not have anything to subtract because all of your *temporarily restricted income* or *permanently restricted income* has been removed from line 1. If however, you did include temporarily or permanently restricted income in the line item for unrestricted income, subtract that amount here.
4. Unrestricted income used to for the purchase of appreciable works of art
If you used any unrestricted income for the purchase of appreciable works of art, subtract that amount here.
5. Unrealized Unrestricted Investment Gains
If line 1 includes any unrealized unrestricted investment gains – including gains arising from changes in the fair value of investment property including appreciable works of art, or sales of fixed assets – subtract that amount here.
6. Any portion of a multi-year grant or donation recorded as unrestricted income but not received
If line 1 includes any portion of a contribution or grant that was not received during the year, subtract that amount here.
7. Other amounts to subtract

Amounts to be added to Line 1.

8. Unrealized Unrestricted Investment Losses
If line 1 includes any investment losses or losses on the sale of assets, add that amount here.
9. Other Additions

Glossary of Key Terms

In-Kind

In-kind contributions are the monetary value of contributions given to your organization in the form of goods, services, land, buildings, use of space, etc. Examples of in-kind revenue are the value of a donated computer, the value of free brochure printing services, or the value of the rent for a donated space used by your organization.

According to accounting rules, in order for a service to be considered an in-kind contribution, it must be a professional service performed by a professional in that field which your organization would have paid for had it not been donated to you. Examples of these services include a lawyer donating legal services, or a professional grantwriter waiving his or her normal fee to prepare your grant applications. For this reason, services such as ushering, letter-stuffing, general office help, and the regular duties of a board member, while valuable to your organization, cannot be included as in-kind contributions.

Whenever possible, the value of in-kind contributions must be what your organization actually would have paid for the item or service, rather than an estimated amount. In-kind services should be the hourly or contract fee the professional normally charges for that service. The value of donated goods must be the amount that was paid for them by the donor, or the amount your organization would have paid for them.

Fixed Asset

The net worth of the physical items an organization owns. These are long-term, tangible assets held for business use and not expected to be converted to cash in the current or upcoming fiscal year, such as computers, manufacturing equipment, real estate, and furniture. Fixed assets cannot easily be converted to cash. Often called property & equipment (P&E).

Capital Improvement

A facility or equipment upgrade (as distinguished from maintenance or repair) that will have a life of more than one year, and that adds to an organization's asset base. Simply- actions undertaken to enhance the value or increase the useful life of a property.

Unrestricted Net Assets

Funds that have no external restriction as to use or purpose.

Temporarily Restricted Income

Revenue with time or purpose restrictions that are set to be satisfied within twelve months, releasing the unrestricted revenue to the organization within the year.

Permanently Restricted Income

Funds with donor-imposed stipulations that the principal not be spent, e.g., traditional endowments; some or all of the earnings are available for specific or general operations.