

Non-Quid Pro Quo Acknowledgements

If you do not give a donor something in return for his or her contribution, you do not have a disclosure requirement.

However, a donor cannot claim a tax deduction for any contribution unless he or she maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity showing the name of the charity, the date of the contribution, and the amount of the contribution.

In addition, without a written acknowledgement from you, donors cannot claim a tax deduction for any single contribution of \$250 or more.

Although it is a donor's responsibility to obtain a written acknowledgement, your organization can assist the donor by providing a timely written statement. Being proactive by sending out the acknowledgement letter with being requested by the donor makes for great public relations with your donors!

Written Acknowledgement Details

The acknowledgement for a contribution of \$250 or more must contain the following information:

- Name of the organization
- Date of the contribution
- Amount of any cash contribution
- Description (but not value) of noncash contribution
- Statement that no goods or services were provided by the organization in return for the contribution, if that was the case.
- Description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution (Note: see *Quid Pro Quo Disclosures* for more information on this)

Sample Letter:

Dear [Donor]:

Thank you for your cash contribution of \$300 that [chapter name] received on [date received]. No goods or services were provided in exchange for your contribution.

Thank you again.

Sincerely,

More Acknowledgement Details

When do you have to send the acknowledgement to the donor? Generally, organizations send acknowledgements to donors no later than January 31 of the year following the donation. That's because donors must receive the acknowledgement by the earlier of 1) the date on which the donor files his or her individual federal tax returns for the year of the contribution; or 2) the due date of the return (including extensions).

Can you send an e-mail acknowledgement? Yes. An organization can either provide a paper copy of the acknowledgement, or it can provide the acknowledgement electronically, such as via an e-mail addressed to the donor.

Acknowledging Donors' Unreimbursed Expenses

If a donor makes a single contribution of \$250 or more in the form of Unreimbursed Expenses, such as out-of-pocket transportation expenses to speak at a conference or event your organization sponsored, you must send the donor a written acknowledgement letter, and the donor should keep good records of the expenses.

What should this acknowledgement letter include?

- A description of the services provided by the donor
- If goods or services were provided in return for the contribution, a description and good faith estimate of the value of those goods or services