



## Policy 3.10

### Gifts with Associated Benefits

**Responsible Official:** VP for Development & University Relations

**Administering Division/Department:** Gifts

**Effective Date:** June 01, 2005

**Last Revision:** July 16, 2018

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#### Overview

To provide guidance and instruction on the accounting for charitable gifts that are received from fundraising events or auctions that are either sponsored by Emory University or for the benefit of Emory University or from membership fees. This policy also includes guidelines establishing minimum fair market values for numerous common benefits.

In accordance with IRS regulations, Emory University will provide the donor with a receipt for a contribution with a statement as to whether any goods or services (benefits) were given to the donor in exchange for the contribution. A description and good faith estimate of the value of such goods and/or services will be provided.

It is the responsibility of schools, departments or groups sponsoring events to submit to the Office of Gift Records ("OGR") information on the fair market value (the "FMV") of such benefits provided, whether or not at a cost to the University or sponsoring organization.

Recommended fair market values for common benefits are listed in an attachment to this policy. All FMVs are subject to review by DAR Information Services & Finance.

#### Policy Details

##### Fundraising Events:

Any school or unit sponsoring a fundraising event should contact OGR for guidance and support **in advance** of the event. This discussion should include the creation of a premium code as well as the determination of FMV for any charitable gifts.

Any printed or web-based materials (including email) advertising the event must contain language about the FMV of the event. For example, the FMV of concerts, theatrical performances and athletic events should be the price normally charged for admission. Dinners or dinner/dances should be valued for the total expense before underwriting. (A reception or dinner plus performance should take both elements into account.) If the event has no counterpart by which the FMV can be measured, then such value should be determined by reasonable estimate with the assistance of the Director of Gift Records. Documentation as to how the FMV was determined must be maintained on file at the department or school for a minimum of five years. The purchase price of the ticket may be in excess of the FMV. Recommended FMVs for common benefits may be found at the end of this policy.

In some cases, a donor may wish to purchase a ticket for the event in order to contribute to Emory University. Whether or not a donor attends the event is irrelevant for IRS purposes if the donor does not specify at the time of purchase that he or she declines tickets to the event. Printed or web-based materials (including email) used to market the event or invite attendees should contain the following clause so that Emory can provide charitable gift credit for the entire amount of the gift:

**The FMV of each ticket is \$X.XX. The purchase price in excess of the FMV shall be treated as a charitable contribution. If you prefer to not receive any tickets, and thus have the full value of the ticket treated as a charitable contribution, please check the box below:**

**( ) I do not wish to receive any benefits in exchange for my contribution.**

All checks must be made payable to Emory University in order to provide a charitable gift receipt to the donors. If a third party check is endorsed over to Emory, a letter must accompany the check identifying the payment as a charitable contribution.

Checks, credit card charges or other forms of payment for events should be transmitted to OGR on a Quid Pro Quo Gift Transmittal Form, a copy of which is attached.

#### Foundation Gifts:

Foundations are permitted to make gifts to support an Emory event with tangible benefits, but a foundation may prefer to decline a distribution of such tangible benefits. Foundations should be asked if they want benefits or if they prefer to decline them. In some circumstances, it is recommended that a foundation decline a distribution at the point of making its gift by indicating that it does not wish to receive benefits in exchange for the contribution (this should be done at the time that the gift is made). In order for a foundation and its disqualified persons to avoid potential Self-Dealing, it is recommended that such disqualified persons make a personal gift directly to Emory and receive any affiliated tangible benefits individually.

#### Self-Dealing:

Among other financial transactions, Self-Dealing can include the transfer to, or use by or for the benefit of, a foundation's disqualified person of the income or assets of a private foundation (according to the IRS, such disqualified persons may include directors, trustees, officers, foundation managers, and substantial contributors to the foundation.)

#### Auctions:

Any school or unit sponsoring an auction should contact OGR for guidance and support **in advance** of the event.

Donors making in-kind contributions of items that will be sold at auction may be credited as making charitable gifts in accordance with IRS regulations depending on the nature of the gift. (Please refer to the Emory University Gift-in-kind Policy for details).

Generally, unless the purchase price exceeds the fair-market-value of an auction item, no portion of the purchase price is considered a charitable contribution or is deductible. To distinguish the portion of the purchase price that is treated as a gift, it is recommended that the purchaser write a separate contribution check (or make a separate credit card payment) for the amount over and above the FMV of the item being purchased at auction.

As a precaution, no invitations, reply cards, tickets, letters, or other printed or web-based materials (including email) issued in relation to an auction shall indicate or imply that the price paid by a donor for goods purchased at the auction are either fully tax deductible or "deductible to the extent provided by law."

Checks, credit card charges or other forms of payment for items purchased at auction should be transmitted to OGR on an Quid Pro Quo Gift Transmittal Form, a copy of which is attached.

#### Memberships:

An annual membership fee is considered a charitable gift if it is \$75.00 or less per year and only provides annual recurring rights or privileges such as: Free or discounted admissions to the charitable organization's facilities or events

Discounts on purchases from the organization's gift shop

Free or discounted parking

Free or discounted admission to member-only events sponsored by the club or museum, where a per-person cost (not including overhead) is within the "low cost articles" limits. Items exceeding the low cost threshold must be disclosed in any printed material promoting or soliciting membership.

All printed materials associated with memberships in University clubs or groups, or the Michael C. Carlos Museum must indicate the FMV of the goods or services associated with membership. No invitations, reply cards, tickets, or any printed or web-based materials (including email) related to a fund-raising event or membership solicitation may characterize the full face price of the ticket or membership to be a donation, contribution, or gift, nor may such items state the cost of the ticket or membership is either fully tax deductible or "deductible to the extent provided by law."

**Definitions**

Gifts with Associated Benefits:

Any gift to Emory University in return for which the donor receives associated benefits, including, for example, the purchase of tickets to events, the purchase of goods or services at auctions, purchase of a table or seat at a dinner, or memberships in University organizations that exceeds the current Internal Revenue Service token exception threshold.

**Token Exception:** Insubstantial goods or services Emory provides in exchange for contributions do not have to be described in the charitable gift receipt. Goods and services are considered to be insubstantial if:

*The donor's payment to Emory is less than \$54.50, then goods or services provided to him or her are considered insubstantial if the fair market value of the benefits that the donor receives do not exceed the lesser of 2% of his or her payment or \$1.09.*

*The donor's payment to Emory is \$54.50 or more **and** the only items provided to him or her bear Emory's name or logo (or a unit of Emory's name or logo), then the goods or services provided to him or her are considered insubstantial if the cost of these items is \$10.90 or less.*

*The donor's payment to Emory is \$54.50 or more **and** the goods or services are **not** items with Emory's name or logo (e.g., dinner or a production), then the goods or services provided to him or her are considered insubstantial if the fair market value of the benefits that the donor receives do not exceed the lesser of 2% of his or her payment or \$109.00.*

Fundraising Event: An activity sponsored by Emory or any other group or organization for the purpose of fund raising to benefit the University. In exchange for the price of admission, the donor generally receives a benefit or privilege.

Auction: A fund-raising event at which guests pay Emory or a support group for goods and services donated by third parties.

Memberships: In exchange for a contribution, members of Emory sponsored clubs, sponsored affiliates, or The Michael C. Carlos Museum receive services and access to events that would otherwise require payment.

**Related Links**

- Current Version of This Policy: <http://policies.emory.edu/3.10>

**Forms and Attachments**

: [download](#)

**Contact Information**

Subject	Contact	Phone	Email
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Clarification of Policy	Josh Greenbaum	404.712.2020	josh.greenbaum@emory.edu
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## Revision History

- Version Published on: Jul 16, 2018
- Version Published on: Jul 16, 2018
- Version Published on: Mar 29, 2007 (*Original Publication*)

*Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit [policies.emory.edu](http://policies.emory.edu) to ensure that you are relying on the current version.*