



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: March 29, 2007

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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.

Policy Details

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 Alumni and Development Records ("ADR") information on the fair market value (the "FMV") of such benefits provided, whether or not at a cost to the University or sponsoring organization.

3.10.1 Fundraising Events:

Any school or unit sponsoring a fundraising event should contact ADR for guidance and support **in advance** of the event.

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 Alumni and Development 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.

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 ADR on a Quid Pro Quo Gift Transmittal Form, a copy of which is attached.

3.10.2 Auctions:

Any school or unit sponsoring an auction should contact ADR 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 ADR on an Auction Proceeds Gift Transmittal Form, a copy of which is attached.

3.10.3 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."

Related Links

- Current Version of This Policy: <http://policies.emory.edu/3.10>
- [DAR ACE Website](https://www.ace.emory.edu/forms/DUR%20Policy%20Gifts%20with%20Associated%20Benefits.pdf) (https://www.ace.emory.edu/forms/DUR%20Policy%20Gifts%20with%20Associated%20Benefits.pdf)

Contact Information

Subject	Contact	Phone	Email
Clarification of Policy	Ben Tompkins	404.727.8073	benjamin.tompkins@emory.edu

Revision History

No previous versions of this policy were found.

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 to ensure that you are relying on the current version.

