



Donations & Fundraising

Florida Library Association
&

Stetson University College of Law
Dolly & Homer Hand Law Library

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Mix of Federal & State Law

- Federal Law

- Creates 501(c)3 status
- Regulates tax deductions
- Regulates tax exempt income status
- Imposes record keeping & reporting responsibilities



- State Law

- Regulates non-profit fundraising activities
- Imposes record keeping & reporting responsibilities

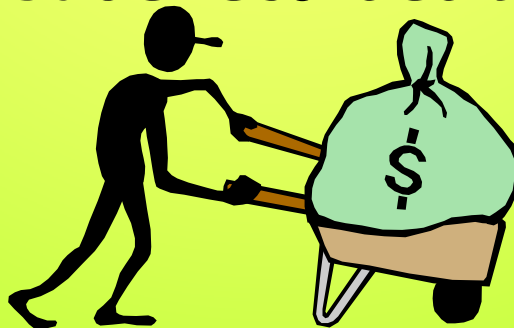
Federal 501(c)3 Requirements

- Quid-pro-quo contributions (thank-you gifts)
 - **over \$75.00**
 - Written disclosure statement indicating donor can deduct only difference between donation and value of the gift
 - Good faith estimate of the fair market value of the gift
 - You do NOT have to calculate the amount for the donor
 - May be provided at time of solicitation or donation
 - Exception – “insubstantial benefit”
 - Gift worth less than 2% of donation



Federal 501(c)3 Requirements

- Quid-pro-quo contributions (thank-you gifts)
 - **over \$250.00**
 - Must provide written acknowledgement of gift indicating donor can deduct only difference between donation and value of the gift
 - Good faith estimate of the fair market value of the gift
 - You do NOT have to calculate the amount for the donor
 - Best to include in the donation thank you
- All donations must be recorded as income



State Registration Requirements

- Florida Solicitation of Contributions Act
 - <http://www.800helpfla.com/socbus.html>
 - Requires registration & payment of a fee
 - Requires annual report & renewal
- Other state filing requirements
 - Must register in every state in which donations are solicited – Unified Registration Statement
 - <http://www.multistatefiling.org/>
 - Florida does NOT participate in the Unified Registration Statement

Donors' Charitable Contributions

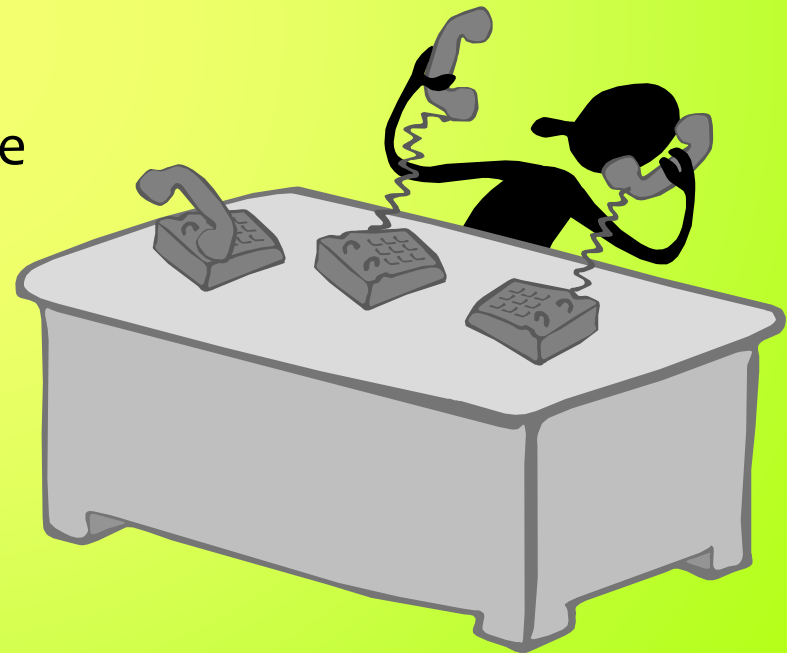
- Not all donations are tax deductible
- Non-profit responsibilities
 - Indicate 501(c)3 status
 - Acknowledge donations
 - Donation *may* qualify as a charitable deduction for tax purposes
- Never tell a donor their donation *is* tax deductible
 - No goods and services were given for donation or
 - The estimated value of the goods and services given for your donation were

Watch Out For Tax Rules

- Time is not deductible
- Charity auction purchases – Deduct only difference between fair market value and what was paid
- Raffle Tickets – Not deductible per IRS rule
- Services or Uses of Property – Non deductible
- Describe donations but don't value them

“Do Not Call” Rules

- Charitable solicitation calls allowed under federal law for non-profits
 - If non-profit staff or volunteers make calls
- State rules
 - Vary from state to state
 - Apply only within the specific state
 - Florida allows charitable donation solicitation calls



Remember

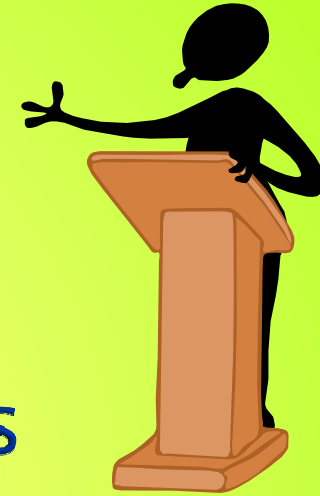
- Paid advertising is considered unrelated business income
 - Newsletters or publications
- Book Sales may generate tax exempt income for the non-profit, but do not provide tax deductions for purchasers. (See Tax Exempt topic)
- To maintain tax exempt status over 50% and preferably 65% or more of income should be used to support the non-profit mission

Other Topics in this Series

- Non-Profit Basics
- Tax Exempt Status
- ~~Donations & Fundraising~~
- Non-Profit Board Members & Officers
- Non-Profit Employees & Volunteers
- Non-Profit Risk Management
- Non-Profit Income & Records
- Useful Non-Profit Resources



Remember



This presentation provides
information, not legal advice.

Always consult an attorney for legal advice.