



Acknowledging Contributions-What to Say When You Get a Donation

Say thank you. Also, you should also know that earlier this year IRS released an updated version of their publication 1771 "Charitable Contributions-Substantiation and Disclosure Requirements". This publication contains useful information about recordkeeping requirements and the flexibility you have with required contribution acknowledgments.

The publication does confirm that donors need to obtain a written acknowledgment from the charity for any single contribution of \$250 or more.

Your acknowledgment should include your name, the amount of cash contributions, or a description of non-cash contributions (not the value), and a statement that no goods or services were provided in return for the contribution. If goods or services were given in return, include a good-faith estimate of the value of what was given in return.

There are some exceptions to the requirement to list items given in return. For example low cost items that have your name or logo, or items given in return which don't exceed the lower of 2% of the contribution or \$106, are considered insubstantial. Certain membership benefits such as discounts and admissions are excluded as well.

One of the most beneficial parts of the publication is examples of written acknowledgments. There is sample language for gifts when nothing is given in return, when something is given in return, and when non-cash contributions are received.