

## **Donations, grants and related *requirements***

There are two general rules that organizations need to be aware of to meet substantiation and disclosure requirements for federal income tax return reporting purposes:

- \* A charitable organization is required to provide a written disclosure to a donor who receives goods or services in exchange for a single contribution in excess of \$75,
- A donor is responsible for obtaining a written acknowledgement from charity for any single contribution of \$250 or more before the donor can claim a charitable contribution on his/her federal income tax return,

### Written Acknowledgement

Requirement — If at any time a single contribution of more than \$75 is received, and the donor receives some benefit from that payment, then a letter must be sent acknowledging this. A sample letter is included. This situation may occur if an event is held where admission is charged, and part of it covers food, etc., but the remainder is considered fundraising profit. It might also occur if a person were to make a contribution of over \$75, but some of it covered a fixed amount of organization dues. Any time this occurs, it must also be reported on the financial reporting form for that period.

No goods and services provided -- A donor cannot claim a tax deduction for any single contribution of \$250 or more unless the donor obtains a contemporaneous, written acknowledgement of the contribution from the recipient organization. An organization that does not acknowledge a contribution incurs no penalty; but without a written acknowledgement the donor cannot claim the tax deduction, An example of a letter to be sent to a donor follows this description.

### Matching gifts

Some companies provide matching gifts as a benefit to their employees. If an individual earmarks a contribution to a parent organization under the umbrella of Coordinating Council, the corporation may need some documentation in order to process a gift. They will usually need the MS determination letter (a copy of which is included in the treasurer's orientation manual). In addition, they will need a letter that lists all of the organizations that are chapter members. Please contact the current Coordinating Council treasurer if you need to obtain a current letter.

North Penn Coordinating Council, Inc.  
401 E. Hancock Street  
Lansdale, PA 19446  
215-368-0400

Date

Address

Dear \_\_\_\_\_

Thank you for your contribution of \$XXX to [our organization] received on DATE. We are a Chapter Member of Coordinating Council, Inc., which is a public charity as defined by IRS code section 501(c)(3)— donations to which are tax deductible to the fullest extent permitted bylaw. The ticket price for the event was \$150. For tax purposes, only \$100 is tax-deductible. The balance of \$50 represents the fair market value of the food and entertainment for the event.

We appreciate your generosity.

Sincerely,

President/Coordinator  
Name of Organization

*(A cknowle clg e e n Letter)*

**North Penn Coordinating Council, Inc.**  
**401 E. Hancock Street**  
**Lansdale, PA 19446**  
**215-368-0400**

**Date**

**Address**

**Dear**

Thank you for your contribution of \$XXX to [our organization] received on DATE. We are a Chapter Member of Coordinating Council, inc., which is a public charity as defined by IRS code section 50 1(c)(3) — donations to which are tax deductible to the fullest extent permitted by law. No goods or services were provided in exchange for your contribution.

We appreciate your generosity.

Sincerely,

President/Coordinator  
Name of Organization

Date

Dear InsertNameHere Family,

Thank you for your contribution of \$dollar.amt to InsertSchoolName Elementary School Home and School Association received on insert date. We are a Chapter Member of Coordinating Council, Inc., which is a public charity as defined by IRS code section 501(c)(3). No goods or services were provided in exchange for your contribution.

Thank you for your generous response to our beginning of the year request for dues and donations. Donations play an important role in our budget process. This year we learned that many companies will provide matching donations to those made by parents to the non-profit Home & School Assoc. Many schools in our district have already been utilizing this benefit and encourage their parents to request matching funds if your company has a similar program.

Because we have many parents in our school who are employed by Merck & Co., Inc., we wanted to especially alert those parents that they can apply for a matching gift to their Home & School donation via the Merck P4G program. To request a match, point your internal Merck web browser to the following link, <https://www.easymatch.com/merckp4g>, and follow the instructions. When prompted for an organization, enter InsertSchoolName Elementary Home & School Association. If the InsertSchoolName Elementary Home & School organization does not appear you can request that it be added. If you have problems or need assistance, please send an e-mail to Insert E-mail Address for Home & School Association Contact and we will put you in touch with someone who can assist you.

We appreciate your generosity.

Sincerely,

Insert Name of Home & School Association President

Date

Matching Gift Company/ Contact  
Address  
City, State, Zip

Reference ID: if one exists

Dear Sir:

Please find enclosed the appropriate group tax exemption documentation, as requested in your letter dated insert date (Attachment 1). Insert School Name Elementary Home & School Association is a chapter member of the North Penn School District Coordinating Council (Attachment 2), and we are providing 'a copy of our 501(c)(3) exemption letters dated 25-Mar-2005 (Attachment 3) and 28-Jul-2006 (Attachment 4).

Please let us know if you require any additional information to support matching gift contribution requests made by Insert Company Name employees, which are designated to Insert School Name Elementary Home & School Association.

Sincerely,

Insert Name  
H&SATreasurer

Insert Name  
H&SA President

Insert School Name Elementary Home & School Association  
School Address  
City, State, Zip  
Phone Number

## **North Penn Coordinating Council, inc.**

401 E. Hancock Street  
Lansdale, PA 19446

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[Date)

[Company Name]

[Company Address]

Dear Sir,

This letter is to confirm that [Your Organization] is a Chapter Member of North Penn Coordinating Council, Inc., which is a public charity as defined by IRS code section 501(c)(3). North Penn Coordinating Council claims responsibility as fiscal agent for [Your Organization], and donations to [Your Organization] are tax deductible to the fullest extent permitted by law, per the 501(c)(3) exemption letters for our organization.

Sincerely,

[Name]

Treasurer

[Your Organization]

Cc: Doreen MacKay, President, North Penn Coordinating Council, Inc.