

Examples of Written Acknowledgments

- **“Thank you for your cash contribution of \$300 that (organization’s name) received on December 12, 2005. No goods or services were provided in exchange for your contribution.”**
- **“Thank you for your cash contribution of \$350 that (organization’s name) received on May 6, 2005. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of \$60.”**

Requirement

A donor may only take a contribution deduction to the extent that his/her contribution exceeds the fair market value of the goods or services the donor receives in return for the contribution; therefore, donors need to know the value of the goods or services. An organization must provide a written disclosure statement to a donor who makes a payment exceeding \$75 partly as a contribution and partly for goods and services provided by the organization.

A contribution made by a donor in exchange for goods or services is known as a *quid pro quo* contribution.

Example of a *quid pro quo* contribution: A donor gives a charitable organization \$100 in exchange for a concert ticket with a fair market value of \$40. In this example, the donor’s tax deduction may not exceed \$60. Because the donor’s payment (*quid pro quo* contribution) exceeds \$75, the charitable organization must furnish a disclosure statement to the donor, even though the deductible amount does not exceed \$75.

A required written disclosure statement must:

- **inform a donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods or services provided by the organization**
- **provide a donor with a good-faith estimate of the fair market value of the goods or services.**