

**Ins & Outs of IRS Rules Pertaining To Charitable Gifts**  
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We all know that the IRS issued new receipting requirements for charitable donations 10 years ago. However, many of us are still struggling with ideas on how to recognize and thank our donors and stay within the IRS "limits." So how can we do both?

"We actually have great flexibility," suggests John Taylor, Principal, Advancement Solutions Consulting Group (Durham, NC). "We can still give our donors fairly nice benefits that fall under the IRS radar screen." What we can give away includes:

- Token items such as key chains, lapel pins, coffee mugs, etc. as long as the donor gives at least \$44.50 (in 2007) and the items contain our name or logo and are worth less than \$8.90 (in 2007)
- More substantial benefits as long as the value does not exceed 2% of the amount given or \$89 (in 2007), whichever is *less*
- Free or discounted admission to facilities or events; free or discounted parking; preferred access to goods or services; and discounts on purchases of goods or services. "This category is often overlooked when considering benefits," John continues. "However keep in mind that these only apply to membership dues or fees and only when the payment is under \$75."

Naming and donor recognition walls and plaques continue to be popular ways to recognize donors. John cautions us, though, "We need to respect the privacy and confidentiality of our donors and not assume they want to see their names in lights – give your donors the chance to opt-out. And when it comes to naming, make sure you also have an un-naming policy."

"There's another way we can dole out benefits and by-pass the IRS regulations," John continues. "Remember that the IRS is concerned if the only way you can receive a benefit is to make a gift. Public radio, for example, will sometimes offer benefits simply by your calling in without making a gift. Thus there is no giving requirement."

"Finally," John concludes, "consider charging a fair price to attend a gala event instead of giving it away. Donors are really beginning to understand the IRS rules and, more importantly, want to know that 100% of their gift is going toward charitable purposes. But if you do decide to give it away, do make sure that the donor has the opportunity to decline the benefit thus preserving full tax-deductibility."