

## POLICY CONCERNING ACKNOWLEDGEMENT OF GIFTS

Federal Law (The Omnibus Revenue Reconciliation Act of 1993)(IRS Code 170 (f)(8)) requires the provision of a contemporaneous acknowledgement of all gifts of cash or property of \$250 or more indicating the contribution meets the present requirements of being tax deductible. Quid pro quo gifts in excess of \$75 must be disclosed and acknowledged at the time of payment. Effective January 1, 1994 the Diocese of Spokane hereby establishes as its policy that such gifts be acknowledged in compliance with Federal Law according to the following norms:

1. The entity (Diocese, parish, school, Catholic Charities, etc.) which deposits the check of \$250 or more by which the donation is given to the Church is responsible for the prompt and proper transmittal to the donor of the statement of gift acknowledgement. Acknowledgement of cash or property is the responsibility of the entity receiving the same. The acknowledgement of the gift must indicate the date of the donation.
2. Quid pro quo gifts (contributions for which the donor receives some tangible benefit) in excess of \$75 must be acknowledged in the following manner: Entities receiving the contribution must disclose to contributors in writing at the time of payment that contribution is deductible only to the extent that it exceeds the value of goods and services provided. (IRS Code 6115)
3. The penalties which can be levied by the IRS on the non-profit Corporation for failure to provide such an acknowledgement in an accurate and timely way will be paid by the entity which deposits the check, receives the cash or takes possession of the property.
4. The statement of gift acknowledgement must contain one of the paragraphs given below or similar wording which makes clear if or what portions of the contribution entitled the contributor to goods or services beyond those of intangible religious benefit.
  - A. St. John of God parish did not provide any goods or services in whole or partial consideration of the above contribution, or provided only intangible religious benefits.
  - B. St. John of God parish provided the donor with the following goods and services in return for the above contribution: \_\_\_\_\_

The estimated value of these goods and services is \$\_\_\_\_\_. The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of goods and services indicated above.

John M. Steiner  
Vicar General

January 13, 1994

**SAMPLE SINGLE GIFT ACKNOWLEDGMENT**

DATE: \_\_\_\_\_

This acknowledgement of your contribution to St. John of God Parish is provided pursuant to section 170(f)(8) of the Internal Revenue Code:

NAME OF CONTRIBUTOR \_\_\_\_\_

ADDRESS OF CONTRIBUTOR \_\_\_\_\_

DATE OF CONTRIBUTION \_\_\_\_\_

AMOUNT OF CONTRIBUTION\* \_\_\_\_\_

FOR THIS CONTRIBUTION: (Check One)

St. John of God parish did not provide any goods or services in whole or partial consideration of the above contribution, or provided only intangible religious benefits.

St. John of God parish provided the donor with the following goods and services in return for the above contribution:

\_\_\_\_\_  
\_\_\_\_\_

The estimated value of these goods and services is \$\_\_\_\_\_. The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of goods and services as indicated above. (Disclosure required by IRS Code 6115)\*\*

IF THE CONTRIBUTION WAS OTHER THAN CASH, A DESCRIPTION OF THE PROPERTY FOLLOWS:

**\*\*If St. John of God Parish provided goods and services in return for the contribution and they were in excess of \$75, this acknowledgement must be provided for purposes of disclosure at the time of payment.**

# SAMPLE AGGREGATE ANNUAL GIVING ACKNOWLEDGMENT

DATE: \_\_\_\_\_

This acknowledgement of your contributions to St. John of God Parish is provided pursuant to section 170(f)(8) of the Internal Revenue Code:

NAME OF CONTRIBUTOR \_\_\_\_\_

ADDRESS OF CONTRIBUTOR \_\_\_\_\_

DATE OF CONTRIBUTION \_\_\_\_\_

1994 ANNUAL CONTRIBUTIONS \_\_\_\_\_

Included in your total Annual 1994 contribution of \$ \_\_\_\_\_ are the following contributions of \$250 or more:

Date: \_\_\_\_\_ Amount: \_\_\_\_\_

Date: \_\_\_\_\_ Amount: \_\_\_\_\_

Date: \_\_\_\_\_ Amount: \_\_\_\_\_

Date: \_\_\_\_\_ Amount: \_\_\_\_\_

FOR THESE CONTRIBUTIONS: (Check One)

St. John of God parish did not provide any goods or services in whole or partial consideration of the above contribution, or provided only intangible religious benefits.

St. John of God parish provided the donor with the following goods and services in return for the above contribution:

\_\_\_\_\_  
\_\_\_\_\_

The estimated value of these goods and services is \$\_\_\_\_\_. The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of goods and services as indicated above. (Disclosure required by IRS Code 6115)\*\*

**\*\* (Disclosure required by IRS Code 6115) If St. John of God Parish provided goods and services in return for the contribution and they were in excess of \$75, Disclosure of this information must be provided at the time of payment.**

Dear Pastors, Principals, or Administrators,

We are strong believers in full employment! Right? The material enclosed comes from the "Secretaries, Accountants and Computer Operators Full Employment Act of 1993". While non-profits have been assured that they will not have any impact from the change in the tax legislation, I suspect that you will not agree.

I would urge you to deal with this now rather than find yourself trying to validate requests for acknowledgement in March of 1995. Please note that it is effective for all donations received since January 1st of this year.

The enclosed policy has been drafted to make it clear who is responsible for acknowledgement as required. If you deposit the check, you make the acknowledgement. Hopefully that simple principle will guide the mechanics. Please insert the three policy pages into your Diocesan Policy Manual in the section indicated.

The explanations and questions provided as background were prepared by the General Council's Office of the USCC. It is important that people involved with school auctions and other fund raisers also are aware of this requirement.

If you have any questions, please contact the Fiscal Services Office and Merrill Fulton will try to assist you.

Sincerely yours in Christ,

Father John M. Steiner  
Vicar General