



GUIDING MARION COUNTY'S WORKFORCE

## POLICY OF EMPLOYINDY

<b>Policy Name</b>	Charitable Donations
<b>Policy Number</b>	2018-006
<b>Program Funding Stream</b>	

REV	Description of Change	Approval Date	Effective Date	Review Date
	Initial Release	10/18/2018	10/24/2018	10/24/2019

### Purpose

To provide guidelines concerning the accepting of charitable donations to EmployIndy.

### Scope

This policy provides guidelines to EmployIndy staff on acceptance and processing of private donations to EmployIndy.

### Summary of the Law, Rules, and Governing Policies

[IRS Publication 1771 \(Rev. 3-2016\)](https://www.irs.gov/pub/irs-pdf/p1771.pdf)<sup>1</sup> outlines requirements for the recordkeeping, acknowledgement, and disclosure of charitable contributions to an organization.

[IRS Publication 4221-PC \(Rev. 3-2018\)](https://www.irs.gov/pub/irs-pdf/p4221pc.pdf)<sup>2</sup> provides guidance for general recordkeeping by public charities.

[IRS Publication 4302 \(Rev. 1-2015\)](https://www.irs.gov/pub/irs-pdf/p4302.pdf)<sup>3</sup> provides guidance for vehicle donations.

### Responsibilities

<sup>1</sup> <https://www.irs.gov/pub/irs-pdf/p1771.pdf>

<sup>2</sup> <https://www.irs.gov/pub/irs-pdf/p4221pc.pdf>

<sup>3</sup> <https://www.irs.gov/pub/irs-pdf/p4302.pdf>

EmployIndy Development Department is responsible for intaking, recording, and providing acknowledgement for charitable contributions.

EmployIndy Finance and Administration Department is responsible for processing and depositing cash contributions.

EmployIndy President/CEO or designee is responsible for approving and overseeing large non-cash donations.

## **Policy Statement**

### **Recordkeeping**

EmployIndy shall keep record of the following information as it pertains to each donation:

- Donor name
- Contact information
- Amount of donation
- Type of donation
- Purpose of donation (if specified by donor)
- Deposit slip
- Acknowledgement letter<sup>4</sup>

### **Allowable Donations**

EmployIndy may accept cash gifts up to any amount, non-cash donations valued \$500 or less, or any sized non-cash donations that are then distributed for charitable purposes (ex. school supplies, work tools, etc).

In order to accept non-cash donations greater than \$500 that are not distributed or utilized for charitable purposes, approval from the EmployIndy President/CEO or designee is needed. If EmployIndy sells, exchanges, or disposes of a non-cash donation valued over \$500 within 3 years, disclosure must be made to the IRS.<sup>5</sup> Before accepting donated vehicles, decision makers should consult [IRS Publication 4302 \(Rev. 1-2015\)](#).<sup>6</sup>

### **Acknowledgement**

EmployIndy shall send a written acknowledgement to the donor by January 31 of the year following a donation. For donations less than \$250, the donor may request an acknowledgement letter. The letter shall indicate the following:

- cash contribution amount,
- a description (but not the value) of any non-cash contribution
- indication whether any goods or services were provided from EmployIndy to the donor in exchange for the donation (also known as a quid pro quo donation).<sup>7</sup>

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<sup>4</sup> IRS Pub. 4221-PC (Rev. 3-2018)

<sup>5</sup> [IRS Form 8282 \(Rev. 4-2009\)](#)

<sup>6</sup> <https://www.irs.gov/pub/irs-pdf/p4302.pdf>

<sup>7</sup> IRS Pub. 1771, pg. 2-3

If goods or services were provided from EmployIndy to the donor in exchange for a donation of \$250 or more, a good faith estimate of the goods or services must be included in the acknowledgement. The acknowledgement must also explicitly state 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.<sup>8</sup>

## Exceptions

### **Acknowledgement**

An acknowledgement does not need to describe the goods and services EmployIndy provides a donor in exchange for a donation if the goods and services are deemed insubstantial. Goods and services are considered insubstantial if the donation occurs in the context of a fundraising campaign in which EmployIndy informs the donor of the amount of the contribution that is a deductible contribution, and:

1. The fair market value of the goods or services received by the donor does not exceed the lesser of 2 percent of the payment or \$106\*, OR
2. The payment is at least \$53\*, the only items provided bear the EmployIndy's name or logo, and the cost of these items is within the limit for "low-cost articles," which is \$10.60\*.<sup>9</sup>

## Definitions

None.

## Related Policies and Documents

### **Policies**

[EmployIndy Conflict of Interest Policy](#)

[EmployIndy Records Retention and Document Destruction Policy](#)

### **Documents**

[IRS Form 8282: Donee Information Return \(Sale Exchange, or Other Disposition of Donated Property\)](#)

### **Additional Guidance**

[IRS Publication 1771 \(Rev.3-2016\): Charitable Contributions](#)

[IRS Publication 4221-PC \(Rev. 3-2018\): Compliance Guide for 501\(c\)\(3\) Public Charities](#)

[IRS Publication 4302 \(Rev. 1-2015\): A Charity's Guide to Vehicle Donation](#)

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<sup>8</sup> IRS Pub. 1771, pg. 3, 5

<sup>9</sup> IRS Pub. 1771, pg. 3

\*Specific dollar numbers are based off 2016 numbers and subject to inflation. See [irs.gov](http://irs.gov) for adjusted numbers.