DONATION FORM

Friends of the Pikes Peak Library District
5550 N. Union Blvd.
Colorado Springs, CO 80918
719-531-6333, x1461

Name: _____________________________________________________________________
Address: ___________________________________________________________________

City _______________________________________ State: _______ Zip: _______________

Phone: ______________________________________ Date: __________________________

The Friends of the Pikes Peak Library District is grateful for your donation of materials. Friends accepts
books and magazines in good condition for resale in the bookstores and periodic book sales. Friends
does not assign a monetary value to the books/items donated. The donation description and value is
the responsibility of the donor. Please list donated items and estimate the value.

Description of the gift:
* Hardback Books  * Paperback Books  * Books on CD  * CDs  * DVDs

Magazines – Not older than 6 months old and 6 weeks old for weekly magazines like Newsweek or US
Weekly.

We do not accept VHS Tapes.

* Other (describe) ____________________________

_________________________________________________________________________

_________________________________________________________________________

FRIENDS is a 501(c)(3) tax-exempt organization as recognized by the Internal Revenue Service. No goods
or services, in whole or in part, were received in exchange for this contribution; therefore, the full value
of your contribution is deductible for income tax purposes. This form is provided by PPLD Friends in
order to express our gratitude and to comply with the rules and regulations issued by the Internal
Revenue Service.

Please retain this form with your tax records. It is not necessary to provide a copy to Friends.

If you have any questions regarding your gift, please contact the Friends of the Pikes Peak
Library District, at 719-531-6333, x1461 or at friends@ppld.org.

Thank you for your donation to the Friends of the Pikes Peak Library District!
What is a donor acknowledgment letter?

A donor acknowledgment letter is more than just a “thank you” letter. Tax-exempt nonprofits have certain requirements to follow — including providing donors with a donation “receipt” — often called an acknowledgment letter.

Donors giving more than $250 in a single contribution to a tax-exempt nonprofit organization need a written acknowledgment from the organization to claim that deduction on their individual income tax return.

Does it have to be in a certain format?

Proper written acknowledgments can include many forms — letters, e-mails, or postcards. There is no official IRS form that the exempt organization has to complete.

When does the nonprofit need to send the written acknowledgment letter to donors?

The IRS sets out that acknowledgments must be provided “in writing, at the time of solicitation or when the payment is received, and in a way that will come to the attention of the donor,” according to IRS Publication 1771.

For the letter to be considered “contemporaneous” with the contribution, “a donor must receive the acknowledgment by the earlier of: the date on which the donor actually files his or her individual income tax return for the year of the contribution; or the due date (including extensions) of the return.” IRS Publication 1771.

Generally, most nonprofits provide written acknowledgment by January 31 of the year following the receipt of the contribution.

We advise that organizations provide written acknowledgment to donors in a timely manner — as close to the receipt of the gift as possible. We believe that expressions of thanks are like pancakes – they need to be served right away!

What needs to be included in donor acknowledgment letters?

Again, the IRS requires that a tax-exempt organization send a formal acknowledgment letter for any donation that is more than $250. The donor will use this letter as proof of his or her donation to claim a tax deduction.

The acknowledgment to the donor should include the following:
1. Tax-exempt status statement: Statement that the organization is a 501c3 tax-exempt organization. Include the nonprofit’s EIN in case the donor wants to check the charity’s tax-exempt status.
2. Name of the organization (the charity) and name of the donor
3. Date of the contribution: The date the donation was received.
4. Contribution Details
   - For cash (checks, credit card, payroll deduction): The amount of the contribution that was received.
   - For non-cash gifts: A description (but not the value) of the non-cash contribution.
5. Statements – Good Faith Estimates of Value of Goods or Services. Ask: Did the donor receive any goods or services in exchange for the gift?
   - Include a statement that no goods or services were provided by the organization in exchange for the contribution, if that was the case.
   - If any goods or services were provided by the organization in exchange for the contribution, include a description and good faith estimate of the value of those goods or services. (Example: A fundraising dinner event where some of the funds received from the donor pays for the actual dinner, while the rest is a donation.)
   - If the goods or services that were provided to the donor were insubstantial token amounts, note that, too. (Example: When a small gift is given to the donor with the nonprofit organization’s name or logo on it like a bumper sticker, coffee mug. See below.) Or, provide a statement that goods or services (if any) that the nonprofit provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case.

Some Examples

Cash donation:

"Thank you for your contribution of (insert amount of cash donation) on Date. No goods or services were provided in exchange for this contribution. Name of NP is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code; EIN ##."

You can make this a fun, too! I also like seeing something tied to the nonprofit organization in the required language:

"Thank you for your contribution of (insert amount of cash donation) on Date. . . No benefit was bestowed upon this donor in exchange for this contribution...other than the joy of giving to an organization that supports programs for Texas children with special needs. We are an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code; EIN ##."

For a non-cash item:
“Thank you for your contribution of one used table and set of six oak chairs that NP received on Date. No goods or services were provided in exchange for your contribution.”

Why does this matter?

The IRS has denied tax deductions to donors who did not have the proper acknowledgment from nonprofits. Two recent Tax Court cases outline the importance of nonprofits following the letter of the law. (Read: Chronicle of Philanthropy’s article: “IRS Crackdown Puts Focus on Gift Records”). Help make this easy for your donors.

Key Question: Is the Donor Receiving Something in Return for His or Her Donation?

When a tax-exempt entity provides a good or service in exchange for a donation of more than $75, the nonprofit has to (1) provide the donor with written notice of the fair market value of those goods or services received and (2) tell the donor that only a portion of the donation that exceeds the fair market value is tax-deductible.

The nonprofit will make a good faith estimate of the fair market value of the item or service and inform the donor. Generally, the nonprofit’s good faith estimate of the value of goods and services will be treated as the fair market value, and the donor can rely on that estimate (unless the donor knows that estimate is unreasonable).

What else should be included?

Help the donor understand how their valued gift was used. We advise our clients to share more than just the donation tax language.

- Tell the donor how the organization used their donation. What did it help the organization accomplish? How many clients did it serve? What good did you do with the gift?
- Let donors know what goals your group accomplished and what objectives you are working towards.
- Keep your donors engaged by letting them know about the work your organization is doing today. Invite them to participate in volunteer events. Use regular reports to share your progress through statistics that show how their money is being spent.
- Include personal stories and quotes from staff, volunteers, or clients.