



Nonprofit Incentive Guidelines

We have received many questions about what is and what is not allowed with offering incentives. We found the following information from an attorney to make sure participating nonprofits can offer incentives to inspire Go Big GIVE donors during the big day.

Generally, if a Go Big GIVE donor gets goods or services in exchange for a donation, the gift receipt has to include the value of the item they're getting. Because the Go Big GIVE Team can't confirm values of each nonprofits unique offer, whatever you plan to do cannot impact the tax receipt that we send to donors (because it will say "no goods or services were provided in exchange for the donation"). However, there are a few exceptions that can help you plan for Go Big GIVE promotions or incentives. To be safe, you should review your plans with your own attorneys.

A few examples of what will and won't be allowed for Go Big GIVE day:

EXAMPLE #1 – Organization offers to give a t-shirt for a donation of at least \$35. The value of the t-shirt needs to be disclosed as a *quid pro quo* on the gift receipt the donor receives because the value is likely above the 2% of "low cost" item exception ($\$35 \times 2\% = \0.70).

Promotion *NOT* allowed under Go Big GIVE rules.

EXAMPLE #2 – Organization offers to give a free annual membership for any donation of at least \$50. The annual membership gives the donor free admission to the organization's events for a year and also a 10% discount at the gift shop. Presuming that the organization has a regular schedule of events (more than four annually) or operates at museum (or something similar), offering a free membership would not be considered *quid pro quo* that needs to be disclosed on the gift receipt. **Promotion *IS* allowed under Go Big GIVE rules.**

EXAMPLE #3 – Same as Example #2 above, organization offers to give a free annual membership for any donation of at least \$100. Because the payment required to receive the membership is over \$75, the value to the membership is now considered a *quid pro quo* that must be disclosed on the gift receipt the donor receives. **Promotion *NOT* allowed under Go Big GIVE rules.**

EXAMPLE #4 – Organization offers to give a free annual subscription to its newsletter for any donation at least \$25. Newsletters are considered "low cost" items only if they are not a commercial quality publication, the primary purpose of the newsletter is to inform members of the organization's activities and are not available to non-members by subscription or newsstand sales. As long as the newsletter meets these criteria, then the *quid pro quo* does not need to be disclosed on the gift receipt. **Promotion *IS* allowed under Go Big GIVE rules.**

EXAMPLE #5 – Organization plans to give away a \$100 Wal-Mart gift card. Only individuals who donate through Go Big GIVE are eligible to enter and win the prize. This promotion is

similar to a raffle and, therefore, the payment does not qualify as a “donation” under the gift receipting rules. **Promotion *NOT* allowed under Go Big GIVE rules.**

EXAMPLE #6 – Same facts as Example #4 above except that the organization provides an alternate means of entry (i.e., anyone is eligible to enter and win by filling out an entry form at the organization’s place of business or by mailing in an entry form with name, address and contact information). Because a donation is not required to enter and win, there is no *quid pro quo* that needs to be disclosed on the gift receipt. **Promotion *IS* allowed under Go Big GIVE rules.**

WAIT! This is not a comprehensive this of do’s and don’ts; that is up to you and your attorney to tell you about. We also did not go to law school so this is not legal advice (again, up to your lawyers). We will not be approving specific nonprofit promotions during Go Big GIVE... again, contact your attorneys to confirm validity and approval for your individual promotion plans. Heartland United Way and Greater Grand Island Community Foundation (Go Big GIVE Team) is not responsible for individual nonprofit actions during Go Big GIVE. Go Big GIVE rules supersede any individual nonprofits actions (remember, as a participating organization you must agree to and sign all official Go Big GIVE rules so help us help you by following them).

The Go Big GIVE receipts include this statement below.

“If any benefits, that are more than a token benefit as defined by the IRS, were received in exchange for your contribution, the value of the benefit received is not tax deductible. Please consult your tax advisor regarding the deductible amount of your contribution and consult the done organization regarding the estimated value of the benefit you received.”