EVERGREEN ALLIANCE

Acknowledging Charitable Contributions

A Summary Guide for Tax-Exempt Organizations

Summarized from IRS Publication 1771, Charitable Contributions – Substantiation and Disclosure Requirements (Rev. 7-2013). Dollar thresholds for the token exception are updated to 2026 amounts (Rev. Proc. 2025-32).

Donors bear the burden of substantiating their charitable deductions, but they depend on your organization to supply the paperwork. Providing complete, timely acknowledgments protects your donors' deductions, and in the case of quid pro quo contributions, a written disclosure is your organization's own legal obligation, with penalties for non-compliance.

At a Glance: Three Rules to Know

Trigger	What is required	Whose responsibility	Consequence of non-compliance
Any cash/monetary gift (any amount)	Donor must hold a bank record or a written communication from the charity showing charity name, date, and amount.	Donor (charity helps by issuing receipts)	Donor cannot deduct the gift.
Single contribution of $250 or more	Contemporaneous written acknowledgment from the charity.	Donor must obtain it; charity should provide it	No penalty to the charity, but donor loses the deduction.
Quid pro quo payment over $75 (part gift, part goods/services)	Written disclosure statement stating the deductible limit and a good-faith estimate of the value of goods/services.	Charity	$10 per contribution, up to $5,000 per fundraising event or mailing (unless reasonable cause).

Note: *These rules do not apply to donated motor vehicles, boats, or airplanes with a claimed value over $500. See IRS Publications 4302 and 4303 for vehicle donations.*

Step-by-Step: Acknowledging a Contribution

Step 1 — Identify the type and amount of each contribution

- **Cash/monetary gifts** (cash, check, card, electronic transfer).
- **Non-cash gifts** (property, goods).
- **Unreimbursed volunteer expenses** (e.g., travel paid by a volunteer to perform services for you).
- **Quid pro quo payments** — the donor received goods or services in return (dinner, concert ticket, auction item, gift).

Step 2 — Apply the dollar thresholds

- **$250 or more in a single contribution:** a written acknowledgment is needed for the donor to deduct it.
- **Do not aggregate** separate gifts under $250. Weekly offerings of less than $250 each do not require an acknowledgment, even if the donor's annual total is $250 or more (though the donor still needs a bank record or receipt for each).
- **Over $75 quid pro quo payment:** a written disclosure statement is required (Step 5), even if the deductible portion is $75 or less.

Step 3 — Determine whether the donor received anything in return

Goods or services include cash, property, services, benefits, or privileges. If anything was provided, you must describe it and give a good-faith estimate of its value, unless one of the exceptions below applies.

Exception	When it applies	Effect
Token benefits	In a fundraising campaign where the charity tells donors the deductible amount, and either: • benefits are worth no more than the lesser of 2% of the payment or **$139***; or • the payment is at least **$69.50*** and the only items given bear the charity's name/logo (mugs, calendars, posters) costing no more than **$13.90*** ("low-cost article"). Free, unordered low-cost articles also qualify (return mailing labels).	Benefit may be disregarded; acknowledgment can state no goods or services were provided.
Membership benefits	Annual payment of $75 or less for recurring rights or privileges, such as free/discounted admission, gift-shop discounts, free/discounted parking, or member-only events where per-person cost (excluding overhead) is within the low-cost article limit.	Those benefits are disregarded; only other benefits (e.g., a $20 poster) need to be described and valued.
Intangible religious benefits	Provided by an organization operated exclusively for religious purposes and not usually sold commercially (e.g., admission to a religious ceremony; de minimis items such as wine used in a ceremony). Does not include education toward a recognized degree, travel services, or consumer goods.	Acknowledgment may simply state that only intangible religious benefits were provided; no description or value needed.

**These amounts are the current 2026 values and are adjusted annually for inflation*

> **Example (token):** A donor gives $69.50 or more and receives a logo mug that cost the charity $13.90 or less. The charity may state no goods or services were provided, and the gift is fully deductible.
>
> **Example (membership):** A $75 annual membership includes free admission to weekly events plus a $20 poster. The acknowledgment need only mention the $20 poster.

Step 4 — Prepare the written acknowledgment (single gifts of $250 or more)

There is no IRS form. A letter, postcard, e-mail, or computer-generated receipt is acceptable if it contains:

1. Name of the organization.
2. Amount of any cash contribution.
3. Description of any non-cash contribution **(but not its value)**.
4. A statement that no goods or services were provided, if that was the case; or
5. A description and good-faith estimate of the value of goods or services provided; or
6. A statement that any goods or services provided consisted entirely of intangible religious benefits, if that was the case.

Do **not** include the donor's Social Security number or taxpayer identification number and do **not** use state that the donation "is" tax deductible. If anything, you should use the words "may" be tax deductible.

You may issue a separate acknowledgment for each gift or one annual summary covering multiple gifts of $250 or more.

Step 5 — Prepare a written disclosure statement (quid pro quo payments over $75)

The disclosure must be in writing and must:

- Inform the donor that the deductible amount is limited to the money (and fair market value of property) contributed in excess of the value of goods or services provided; and
- Provide a good-faith estimate of the fair market value of those goods or services.

Furnish it in connection with either the solicitation or the receipt of the payment, in a manner likely to come to the donor's attention. Small print buried in a larger document may not satisfy the requirement.

Not required when: the benefit falls under the token, membership, or intangible religious benefits exception, or there is no donative element at all (e.g., an ordinary museum gift shop sale).

> **Example:** A donor pays $100 for a concert ticket worth $40. Deduction is limited to $60. Because the payment exceeds $75, the charity must provide a disclosure statement, even though the deductible amount is under $75.

Step 6 — Deliver the acknowledgment on time

To be **contemporaneous**, the donor must receive the acknowledgment by the earlier of (a) the date the donor files the return for the year of the gift, or (b) the return's due date, including extensions. **Best practice: send by January 31** of the year following the gift. Paper or e-mail delivery is acceptable. Donors keep the acknowledgment with their records and do not attach it to their returns.

Step 7 — Retain copies and document your process

Keep copies of acknowledgments and disclosure statements, the basis for your good-faith value estimates, and records of event costs and premiums. These support your position if a donor's deduction or your disclosure compliance is questioned.

Special Situations

Unreimbursed volunteer expenses

If a volunteer's unreimbursed expenses for a single contribution total $250 or more, provide an acknowledgment that includes:

- A description of the services the volunteer provided;
- A statement of whether the organization provided goods or services in return;
- A description and good-faith estimate of the value of any goods or services provided; and
- If applicable, a statement that any benefits consisted entirely of intangible religious benefits.

The volunteer must keep their own records of the expenses (e.g., a copy of a $500 airline ticket to a convention they attended as your delegate). See IRS Publication 526.

Sample Acknowledgment Language

> **Cash, no benefit:** "Thank you for your cash contribution of $300 that [Organization] received on [date]. No goods or services were provided in exchange for your contribution."
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> **Cash, with benefit:** "Thank you for your cash contribution of $350 that [Organization] received on [date]. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of $60."
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> **Non-cash:** "Thank you for your contribution of a used oak baby crib and matching dresser that [Organization] received on [date]. No goods or services were provided in exchange for your contribution."
>
> **Designated program:** "Thank you for your contribution of $450 to [Organization] made in the name of its Special Relief Fund program. No goods or services were provided in exchange for your contribution."

Compliance Checklist

- ☐ Every acknowledgment shows the organization's name, the cash amount or a description of non-cash property (no value), and the goods-or-services statement.
- ☐ Non-cash property is described but not valued by the organization.
- ☐ Goods/services provided are described with a good-faith value estimate, or an exception is documented.
- ☐ Event tickets, auction items, and premiums over $75 carry a prominent written disclosure statement.
- ☐ Acknowledgments go out by January 31; no SSNs/TINs appear on them.
- ☐ Token-exception thresholds are updated each year for inflation.

Authority and Resources

- **Written acknowledgment:** IRC §170(f)(8); Treas. Reg. §1.170A-13(f). Low-cost articles: IRC §513(h)(2).
- **Written disclosure:** IRC §6115; Treas. Reg. §1.6115-1. Penalty: IRC §6714.
- **Related publications:** Pub. 526 (Charitable Contributions), Pub. 561 (Determining the Value of Donated Property), Pubs. 4302/4303 (vehicle donations).
- **IRS Exempt Organizations:** (877) 829-5500; www.irs.gov/charities-non-profits.

This guide is a general summary for informational purposes and does not constitute legal or tax advice. Inflation-adjusted amounts change annually; please contact us with questions about your organization's specific situation.