



Charitable Gift Reminders

Creating an environment of sound stewardship of charitable gifts will not only assist a church or ministry in complying with laws but will also increase trust with donors. ECFA's Seven Standards of Responsible Stewardship™ address the stewardship responsibilities for member organizations.

This checklist is designed to help your organization complete its year-end responsibilities in an appropriate and timely manner.



- Receipt the right kinds of gifts.** Tax law requires a gift acknowledgment be issued for all single gifts of \$250 or more, cash and non-cash. All gifts of currency (bills or coins), regardless of amount, require a receipt. Volunteer time, services or use of property should not be receipted. Gifts from Donor Advised Funds and IRAs can be acknowledged by a letter or thank you but should not be receipted the same way as gifts of cash.



Consider informing volunteers that unreimbursed out-of-pocket expenses related to their volunteer service may be deductible.



Year-end giving statements do not have to be stale and boring to be compliant with tax law! Use them creatively to communicate stories of impact the giving had on the ministry.

- Include the right information on receipts.** Proper gift acknowledgments will be in writing, dated, and include the ministry name, giver name, date of the donation, amount of cash donated or a description of the donated property. A statement explaining whether goods or services were provided in exchange for the contribution must also be included.



- Receipt the right person at the right time.** Charitable deductions claimed on a tax return without a gift receipt may be disallowed by the IRS. Gift receipts must be issued to givers by the earlier of the due date of their federal tax return, plus any extension, or by the date the return is filed. It is generally only appropriate to issue a gift receipt to the person/entity named on the check/bank draft or the credit card holder, or the person/entity transferring ownership of a non-cash gift (except in cases when a person is acting as an agent for others).

- **Understand Quid Pro Quo transactions.** If the giver receives something of value when making the contribution (e.g., a book, resource, meal, etc.) only the portion of the gift exceeding the FMV of the benefit received may be deductible. A receipt must be provided for all transactions where the giver makes a payment of more than \$75 and receives goods or services in return, other than intangible religious benefits or items of token value. In this case, a good faith estimate of fair market value of the goods or services must be included on the receipt. If givers receive benefits of insubstantial value, they are allowed a full tax deduction for the donation and there are no reporting requirements for the ministry. [Learn more here.](#)



- **Do not act as an appraiser.** When the ministry receives a non-cash gift, the receipt should only include a legal description and condition of the property received. It is the responsibility of the donor to determine the FMV of the non-cash gift for purposes of determining the deductible amount of the gift. Gifts of securities are considered non-cash gifts and should be acknowledged without including a value of the shares.



- **Include proper wording about the tax deductibility of gifts.** When communicating to donors that the ministry is a registered 501c3 and all gifts are tax deductible, the ministry should use proper IRS recommended language stating that gifts are tax deductible to the full extent allowed by law. Review the ministry's website, appeals, and gift acknowledgments to confirm the current language includes the IRS recommended language.



- **Don't be afraid to say 'no' to some gifts.** Establishing a clear, easy-to-follow set of charitable contribution guidelines can save the ministry many headaches. A gift acceptance policy provides standards and procedures for determining when a ministry will or will not accept a gift. The gift acceptance guidelines should protect the interests of the giver and ensure the gift is useful to the organization and consistent with its charitable purpose. A sample policy can be found [here](#).



- **Don't overlook appreciated assets.** Gifts of appreciated assets present a great opportunity in the current climate. With large investment gains in stocks, cryptocurrency and gains on other assets like real estate, it may be a great time to consider talking to donors about giving from these appreciated assets.



- **Be mindful of earmarked gifts and deputized fundraising.** Gifts earmarked for specific individuals are not tax-deductible. Gifts given to a ministry and ‘preferred’ for a specific individual may be tax-deductible. Gifts of this type must be given with the intent of benefiting the ministry, not a specific individual and the ministry must maintain discretion and control of the donated funds. Appeals and receipts should include IRS recommended language to inform the donor that the ministry has control over the funds and that the ministry understands the donor intent. [Click here](#) for IRS suggested language and [click here](#) to learn more about gifts to ministry staff.

- **Use ‘multiplier’ language properly.** Challenge and matching gift campaigns are often used as an incentive to increase giving at year-end. These tools have the potential for great benefit, but also for great misunderstanding. A challenge gift is not dependent upon the gifts of other donors, and when used properly, is communicated without the use of “multiplier” language. Challenge gifts have often already been received or will be received regardless of the actions of other donors. A matching gift is contingent on other donor’s actions and is at risk of not being received if other donors do not give toward the match. Multiplier language is often used when communicating matching campaigns.



The Seal. Quite possibly the best recognized and most tangible benefit of ECFA accreditation is the right to display the ECFA seal on letterhead, fundraising appeals, newsletters, or other published literature to each accredited member’s constituency and the public. This represents ECFA’s “seal of approval” for its accredited members and is intended to communicate to the public that the organization displaying the seal has been found in full compliance with ECFA standards. Members can download the seal at [ECFA.org/MemberKit](https://www.ecfa.org/MemberKit).