



**Series:** Public Relations COA: RPM 2.01; ETH  
3, 3.01, 3.02, 3.03, 3.04, 3.05; GOV 6;  
FIN 2., 3, 4

**Policy Name:** Quid Pro Quo Contributions  
**Policy Number:** OP BC 1043

**Revision #/Date:** 5/10/2017  
**Reviewed Date:** (1) 03/05/2021  
**Effective Date:** 12/19/2012

**Applicable to:** Brevard C.A.R.E.S. Staff

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**SUBJECT:** The purpose of this operating procedure is to correctly account for and record quid pro quo contributions.

**PURPOSE:** To establish a procedure to identify and record quid pro quo contributions solicited for support of Brevard C.A.R.E.S. activities which will provide reasonable assurance regarding the achievement of donor objectives and conforming to all federal, state, county, and local statutes governing the solicitation of funds.

### **References**

Brevard C.A.R.E.S. Governance Policies: GOV BC 1000 and GOV BC 1009

### **Definitions**

**Donor:** An individual or organization that gives tangible or intangible property or services.

**Fair Market Value (FMV):** The value of a property between a willing buyer and seller, neither of which buys or sells the property or use of the property.

**Quid Pro Quo Contribution:** A donor's payment to a charitable organization that is \$75 or more and is partly a contribution and partly for goods or services. For example, if a donor gives a charity \$100 and receives a concert ticket valued at \$40, the donor has made a quid pro quo contribution. In this example, the charitable contribution part of the payment is \$60. Even though the deductible part of the payment is not more than \$75, a disclosure statement (below) must be provided by the organization to the donor because the donor's payment (quid pro quo contribution) is more than \$75.

### **Scope**

This procedure applies to all fund raising ventures and other applicable business transactions of Brevard C.A.R.E.S and for the daily management of Brevard C.A.R.E.S. fund raising.

Brevard C.A.R.E.S. has established and maintained written procedures for the promotion and recording of fund raising activities consistent with governance policies GOV BC 1009, Fundraising

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Management. Such procedures include explicit delegation of authority to persons responsible for these functions.

## Procedure

### Disclosure Statement

In any Brevard C.A.R.E.S. fundraising event or other business transaction where a quid pro quo contribution is received, Brevard C.A.R.E.S. will provide the donor a disclosure statement which includes the following:

Informs the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the FMV of goods or services provided by the charity.

Provide the donor with a “good faith estimate” of the Fair Market Value of the goods or services that the donor received within the guidelines mandated by the Board of Directors in governance policy GOV-205, Fundraising Management. PRD staff will determine the FMV of the goods or services as outlined in procedure PBR3006, Fair Market Value Measurements.

Brevard C.A.R.E.S. will furnish the disclosure statement upon receipt of the quid pro quo contribution.

It should be noted that Brevard C.A.R.E.S. will not provide a disclosure statement if any of the following is true:

The goods or services given to a donor have insubstantial value as described in Revenue Procedures 90-12 and 92-49.

There is no donative element involved in a particular transaction with Brevard C.A.R.E.S. (for example, there is generally no donative element involved in a visitor's purchase from a museum gift shop).

The donor makes a payment of \$75 or less per year and receives only annual membership benefits that consist of either of the following scenarios:

- Any rights or privileges (other than the right to purchase tickets for college athletic events) that the taxpayer can exercise often during the membership period, such as free or discounted admissions or parking or preferred access to goods or services.
- Admission to events that are open only to members and the cost per person of which is within the limits for low-cost articles described in Revenue Procedures 90-12 and 92-49 (as adjusted for inflation).

### Accounting for Quid Pro Quo Contributions

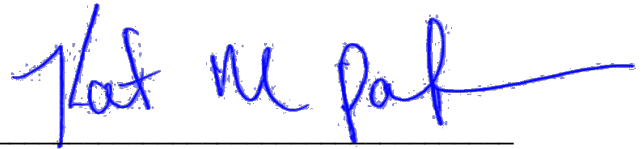
Once Brevard C.A.R.E.S. issues a disclosure statement to a donor, a copy of the statement will be forwarded to the Accounting Department for the transaction to be recorded in the general ledger.

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In addition to the contents of the disclosure, the public relations staff or designee will identify on the statement the subaccount assigned to the fundraising event. Upon receiving the statement, the Accounting Department will issue a companion subaccount to identify the "cost of direct benefits" for this fundraising event. Each event matching contribution will be identified with these subaccount identifiers. Each statement will be used as back up documentation for each journal entry required to record the contribution and be filed with each journal entry.

BY DIRECTION OF THE EXECUTIVE  
DIRECTOR



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KATHRYN PARKER  
Executive Director  
Brevard C.A.R.E.S., Inc

Signature Date: 03/05/2021