

# **Acknowledgment & Gift Receipt Policy**

**Organization: Red Mountain Community Social Club**

Effective Date: April 7, 2026

Approved by: RMCSB Board

## **1. Purpose**

This Acknowledgment & Gift Receipt Policy establishes consistent procedures for receiving, recording, and acknowledging contributions in compliance with IRS regulations and best practices for donor stewardship. The policy ensures that donors receive timely, accurately written acknowledgments for tax purposes and that the organization maintains proper records of all contributions.

## **2. Scope**

This policy applies to all charitable contributions received by the organization, including:

- Cash and check donations
- Electronic payments (credit card, ACH, online platforms)
- Non-cash and in-kind donations
- Marketable securities
- Pledges
- Event-related contributions
- Membership dues that include a deductible gift component

## **3. IRS Compliance Requirements**

The organization will comply with all IRS regulations, including but not limited to:

- Written acknowledgment for any single donation of \$25 or more.
- Disclosure statements for quid pro quo contributions exceeding \$75.
- Accurate reporting of the donor's name, amount or description of the gift, and confirmation of whether goods or services were provided in exchange for the contribution.

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## 4. Acknowledgment of Gifts

### 4.1 Timeliness

All contributions will be acknowledged:

- Within 10 business days, when possible, for cash/online donations.
- Within 30 days for non-cash or in-kind contributions.
- By January 31 each year for cumulative annual giving summaries.

## 5. Required Elements of a Gift Acknowledgment

Gift receipts will include the following information:

For cash or monetary donations:

- Donor's name
- Date of the contribution
- Amount of contribution
- Statement confirming the organization's 501(c)(3) status
- Required IRS language:
  - Either: "No goods or services were provided in exchange for this contribution," **or**
  - "The estimated fair market value of goods or services provided in return for this contribution is \$\_\_."
- The signature or name of an authorized representative

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## 5. Required Elements of a Gift Acknowledgment continued

**For non-cash/in-kind donations:**

- Donor's name
- Date of donation
- Description only of donated items (the organization does not assign value)
- Statement confirming tax-exempt status
- Required IRS language regarding goods or services received
- Signature or name of an authorized representative

**Note:** Donors are responsible for determining the fair market value of in-kind contributions.

## 6. Quid Pro Quo Contributions

A quid pro quo contribution occurs when a donor makes a payment that is partly a donation and partly in exchange for goods or services (e.g., event tickets, meals, merchandise).

If the donor's payment is more than \$75, the organization will provide a written disclosure including:

- The portion of the payment that is tax-deductible
- The fair market value of goods/services received (e.g., event meal, merchandise)
- Required IRS disclosure language

## 7. Donor-Advised Funds and Foundation Gifts

Acknowledgments for contributions from donor-advised funds (DAFs) or private foundations will not imply that an individual donor received a tax deduction, nor will they state that no goods or services were provided to the donor.

## 8. Pledges

Written commitments to give (pledges) will be acknowledged separately from actual payments. Acknowledgment for tax purposes will be issued when the pledge payment is received, not when the pledge is made.

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## **9. Recordkeeping**

The organization will maintain secure records of all contributions, including:

- Donation date
- Donor identity
- Amount or description of the gift
- Copy of acknowledgment issued
- Any restrictions or designations attached to the gift

Records must be kept for a minimum of seven (7) years.

## **10. Authorized Signatories**

Only individuals designated by the Board of Directors (e.g., Treasurer, President) may issue official gift receipts.

## **11. Privacy & Confidentiality**

Donor information will be treated as confidential and managed in accordance with the organization's Donor Privacy & Data Protection Policy. Donor information will not be shared, sold, or traded.

## **12. Policy Review**

- Policies and procedures are reviewed and revised at the direction of the Board President as needed or to align with changes in the law or changes in organizational practices.