

“**Quid Pro Quo**” is defined as “a payment made partly as a contribution for goods and services provided to the payor by the donee.” The value of the benefits or premiums the donor receives is a key factor in determining the amount of the actual gift.

#### **IRS Regulations on Benefits**

1. An item must have substantial value to be considered a benefit. If the value is “substantial,” it must be subtracted from the donor’s contribution.
2. Items that do not have substantial value need not be subtracted from the contribution.
3. Items of insubstantial value include:
  - ✓ Benefits that have a fair market value of less than 2% of the gift.
  - ✓ Items with a value of less than \$8 when the gift is more than \$41. (The IRS periodically updates these figures to reflect the impact of inflation.)
  - ✓ Benefits offered in exchange for payment of \$75 or less that consist of rights or privileges that can be exercised frequently.
4. The value of token items must be based on the fair market value of such items rather than the institution’s cost to obtain them.
5. No portion of an opportunity to win a prize may be considered a tax-deductible gift (including raffle tickets, door prizes, etc.).
6. For gifts that secure preferential seating consideration for the donor, only 80% of the gift is tax-deductible.

Example: A donor gives an institution \$100 for an event ticket with a fair market value of \$40. The donor’s gift deduction may not exceed \$60. If the donor does not attend the event the deduction is still \$60. If the donor does not wish to attend the event, they must make their decision known at the time of the gift.

#### **Corporate Sponsorship**

Corporations and organizations often give money to institutions to sponsor activities and events in return for advertising. Most corporate dollars are countable as gifts; the determining factor is whether the recognition constitutes advertising. The IRS defines advertising in this instance as competitive pricing or product information displayed because of the donation. If the recognition fits this definition, the sponsorship is an

exchange transaction, not a gift. Simple name or logo placement is not advertising.

For a sponsorship to qualify as a gift:

- ✓ The sponsorship contribution must be made by a person or corporation engaged in business.
- ✓ The sponsor must not expect to receive a return benefit.
- ✓ The promotional information should be limited to:
  - Sponsor’s location, phone, internet address
  - Value-neutral description of products or services
  - Sponsor’s brand or trade mark.
- ✓ There is no qualitative or comparative advertising of sponsor’s products or services such as pricing, savings, value, purchase/sale inducements, etc.
- ✓ Cannot be contingent on event attendance, ratings or public exposure.

The following are examples that do not qualify as a gift:

- ✓ Advertising revenue,
- ✓ Exclusive vendor relationships,
- ✓ Trade-outs, such as hotel rooms and transportation (these are considered services).

## **CONCLUSION**

Today’s donors have more outlets for their philanthropic desires than ever before. As competition for philanthropic dollars has increased, donors now receive numerous appeals from non-profit organizations; consequently donors may become annoyed by multiple requests from the same organization. To ignore this reality is to risk reduced support, an outright refusal or perhaps even permanent discontinuation of support.

St. Norbert College can be at the forefront of a donor’s choice if we are clear in our intent, focused on the College’s highest priorities, and present exciting opportunities for involvement. Coordinating our College’s fund-raising activities is therefore imperative.



St. Norbert College

## **POLICY ON FUNDRAISING BY STUDENTS, EMPLOYEES AND CAMPUS ORGANIZATIONS**

OFFICE OF COLLEGE ADVANCEMENT



Office of College Advancement  
Main Hall 3<sup>rd</sup> Floor  
100 Main Street  
De Pere, WI 54115-2099  
Phone (920) 403-3016  
Fax (920) 403-4008  
advancement@snc.edu

## BACKGROUND

**The Office of College Advancement** helps St. Norbert College fulfill its mission and realize its aspirations in three ways: (1) communicating the College's character, quality, priorities and goals; (2) building meaningful partnerships with external and internal constituents; and (3) securing and stewarding an ever-increasing supply of useful financial and human resources. Accordingly, the Office of College Advancement must strive at all times to ensure that its policies and procedures are in compliance with local, state and federal regulations in regard to the solicitation and acceptance of gifts. Any deviation from the Internal Revenue Code or other relevant laws could result in fines, public embarrassment and/or the loss of the College's tax-exempt status.

## POLICY

This Policy shall apply to any and all members of the St. Norbert College community, as well as to any other individuals or organizations who may represent themselves to be members of the College community or who claim to be acting on behalf the College. This policy does not apply to members of the College community when they are engaged in fund-raising activities for other organizations and/or when they have explicitly stated that their fund-raising activities are unrelated to the College.

### **Definition of "College Fund-raising" Activities**

Any fund-raising activity that employs the name, image or reputation of St. Norbert College in an effort to secure financial contributions will be considered fund raising in the name of the College and is subject to this Policy.

### **Advance Approval of Fund-raising Activities**

All fund-raising activities and external solicitations to be made in the name of St. Norbert College must be approved in advance by the vice president for college advancement.

### **Gift Receipting**

The only College representative authorized to issue an official gift receipt on behalf of St. Norbert College is the vice president for college advancement. Such receipts will be issued only when a donor's gift has been given for a purpose consistent with the College's mission and without any restrictive conditions (other than departmental restricted gifts).

### **Counsel and Training**

The college advancement staff will offer assistance to members of the College community interested in advancing the College through fund-raising techniques; however, no formal planning for specific fund-raising projects will be conducted without the approval of the vice president of college advancement and other appropriate vice presidents.

### **Lists of Donors and Potential Donors**

The Office of College Advancement will not share lists of donors or other constituents with individuals and organizations not affiliated with approved College fund-raising activities. Lists may be provided to campus community members working on approved fund-raising projects, so long as the recipients submit to any required training and sign a confidentiality agreement. Once an approved fund-raising project is underway, the Office of College Advancement will prepare and provide progress reports and donor lists to authorized representatives of the project. Care will always be taken so as not to divulge the identity of donors who request anonymity.

### **Processing of Gifts**

In conformity with IRS regulations, the Office of College Advancement will process and record all gifts received by the College. This includes producing written receipts for any contribution of \$1.00 or more, less the value of any *quid pro quo* benefits received by the donor.

Contributions received in response to an approved fund-raising initiative must be submitted to the Office of College Advancement within 48 hours. Cash contributions should be accompanied by the original envelope in which they were received, with the donor's name and address clearly written on the envelope. In cases of at-will contributions, or any other case where the donor cannot be identified, such cash contributions will be classified as anonymous.

## INITIATIVES

The College is aware that students and employees often engage in fund-raising activities for which the College is not the intended beneficiary. When an activity is not intended to benefit St. Norbert College, administrative approval is not required, but the utmost care must be taken to make that distinction clear and to not lead outsiders to believe the activity is a College-supported effort.

### **Actions that suggest participation and support:**

- ✓ using the College's taxpayer identification number
- ✓ employing the College's name or logo in promotions or solicitations
- ✓ using College stationery
- ✓ having checks be made payable to St. Norbert College
- ✓ a volunteer stating, "As a St. Norbert College student/faculty/staff member, I am asking you...."

### **Actions that avoid confusion:**

- ✓ stating that "This is an event that will benefit [Name of Charity]"
- ✓ asking that checks "Be made payable to [Name of Charity]"
- ✓ not using the St. Norbert College name in any promotions
- ✓ stating that, "This event is not affiliated with St. Norbert College"

### **When College Approval is Needed**

There is a simple test to determine whether College approval is needed: If it appears that the contemplated fund-raising activity cannot be conducted without making contribution checks payable to St. Norbert College, then the activity is one that will require prior approval by the vice president for college advancement.

### **Prohibited Activities**

Even when a fund-raising activity is not one that benefits the College directly or is sanctioned by the College, members of the College community are prohibited from engaging in the following tactics and activities:

- ✓ using personal data from the College directories to compile calling or mailing lists\*
- ✓ using the White Pages of local phone directories to compile calling or mailing lists\*
- ✓ using the St. Norbert College Alumni Directory to compile calling or mailing lists\*
- ✓ using one's status as a St. Norbert College employee or student to secure a gift commitment
- ✓ using "blast e-mails" on the campus intranet system to solicit gifts
- ✓ conducting lotteries or similar games of chance, which the State of Wisconsin defines as gambling

\* Note: The publishers of these directories also consider such activities to be violations of their copyrights.