Donor Acknowledgement Policies

Both cash and in-kind donations are crucial to the operation of the Mediation Center. For this reason, the Mediation Center wishes to follow the procedures in the document in order to appropriately acknowledge donors, and to provide donors with the appropriate tax documentation of their gift. These policies promote good donor relations and fulfill the obligations of the Mediation Center (MC) under the rules of the IRS and the North Carolina Secretary of State’s Office.

1) Process for Receipt of Cash and In-kind Gifts
   a) The Mediation Center accepts gifts of cash and in-kind goods and services. Any donor-imposed restrictions must be appropriate to the mission and current activities of the MC. In the event that a restricted cash gift or an in-kind gift is received that is not appropriate to the current activities of the MC, the Executive Director notifies the Executive Committee of the Board of Directors who will decide if the gift will be accepted.
   b) The Executive Director is made aware of all gifts on the day they are received.
   c) A letter acknowledging the gift is prepared. For the purpose of this document, an acknowledgement letter is defined as written correspondence to the donor which serves as both a receipt and a thank you letter.
   d) Acknowledgement letters are not provided for the donation of volunteer time regardless of the service performed, as this is not considered a deductible expense under IRS rules. Thank you letters and other volunteer recognition are always appropriate.
   e) Acknowledgement letters have the original signature of the Executive Director and every effort is made to add a personal note to all computer generated letters.
   f) In the event that the Executive Director is unavailable for an extended period of time, plans should be made to have an officer of the Board of Directors sign acknowledgement letters and make calls to donors as appropriate.
   g) For gifts of cash over $100, the Executive Director places a phone call to personally thank the donor. An effort should be made to call the donor within a week of receipt of the gift.
   h) For major gifts of cash, defined as those exceeding $250, an officer of the Board of Directors sends a hand-written thank you note. This note is not a substitute for the acknowledgement letter.
   i) While the Mediation Center does not determine the value of in-kind gifts, the Executive Director determines what additional steps beyond an acknowledgement letter, if any, are appropriate to thank the donor.
   j) The MC makes every effort to mail the donor acknowledgement letter within a week of receipt of the gift. All letters should be mailed within two weeks.
   k) Donations are not to be deposited into the bank until acknowledgement letters are mailed.

2) Event-Related Donations and Sponsorships
   a) For items donated for a silent auction, acknowledgement letters should be mailed as soon as possible, although it is acceptable to mail the letter shortly after the event. Silent auction acknowledgement letters follow the same processes as other in-kind gifts.
   b) For corporate sponsorships up to $100, an acknowledgement letter is mailed after the event takes place.
   c) For corporate sponsorships over $100, an acknowledgement letter is mailed upon receipt of the gift, and an additional thank-you letter is sent after the event.
   d) Acknowledgement letters are not provided for the purchase of an item at a silent auction, or for the purchase or raffle tickets. Executive Director will determine what steps, if any, are appropriate to thank the person (phone call, hand written note).

3) Content of Acknowledgement Letters for Cash and In-Kind Gifts
   a) General acknowledgement letters are changed to include up-to-date content no less often than every three months. Wherever possible, the content of acknowledgement letters should be specific to the campaign or event that
prompted the donation. Every effort is made to ensure that a donor does not receive the same thank you letter for multiple gifts.

b) The Executive Director periodically reviews the requirements for acknowledgement letters to ensure compliance with the IRS, NC Secretary of State’s office, and any other appropriate bodies. Letters include the following content:

i) The amount of the cash donations and the date the donation was received. For end of year gifts made by check and received by mail, it is appropriate to use the post-mark as the date of receipt. If a donor provides a credit card number by mail, the receipt must indicate the date that the charge was processed, not the date of the postmark.

ii) For in-kind gifts, the letter lists donated goods received, and does not provide an estimate of value unless the donor has provided an estimate of the fair market value of the gift in advance. In this case the estimated value is included with a statement that the fair market value was determined by the donor, not the MC.

iii) A statement that MC “is a charity recognized as tax-exempt by the IRS under Section 501(c)4. Financial information about this organization and a copy of its license are available from the charitable Solicitation Licensing Section at 888.830.4989. The license is not an endorsement by the State.”

iv) Either (a) statement that no goods or services were received in return for this gift or (b) if the gift was $75 or more, and the nonprofit did provide something in return of more than insubstantial benefit in return for the gift, then letter will include a good faith estimate of the value of the good/services provided.

v) Letters state that the gift “may be up to 100% tax deductible” but do not provide tax information or advice to the donor.

4) Review of Donor Acknowledgement Policies

a) This policy will be reviewed by the Board of Directors of the MC on a regular basis, no less often than every three years.

Approved by the board of directors on June 10th, 2012