

DONATIONS 101

ACCEPTING DONATIONS

A donation is a charitable contribution to a nonprofit project. Donations from individuals often make up the largest source of income for non-profit arts organizations. By using a fiscal sponsor, donations to your project can be tax-deductible for your donors, but you must follow certain guidelines. Springboard can accept donations from individuals or foundations by check, through our online donation platform (GiveMN.org), or by credit card in person or over the phone. We can also acknowledge in-kind donations to your project.

Check Donations

Checks should be made out to Springboard for the Arts with your project name in the memo line. Unfortunately, we can't accept checks that have been made out to your project and endorsed to us, or checks from your checking account to us, so be sure to look at every check in the moment to avoid having your donor write a replacement check later on.

Online Donations

Springboard uses GiveMN.org for all online donations. GiveMN is great for both year-round operating support and goal-oriented campaigns. You can also capitalize on Give to the Max Day, which happens every year in November. A step-by-step guide to setting up a fundraising page on either platform is on your account page: <https://springboardforthearts.org/grants-funding/incubator/account-page/>.

Credit Card Donations

For in-person donations, Springboard can accept Visa, MasterCard, American Express, or Discover via our credit card Intuit account and swiper. The same 7% administration fee for cash or check donations applies to credit card transactions as well. Our credit card swiper and account login information can be checked out for use at special events. This is available on a first come, first serve basis and is not guaranteed – though to date we've never had to turn down a request. Please note that keeping credit card information you collect from your donors is a serious legal risk.

Matching Donations

Businesses will often have giving programs that will match an employee's charitable donation. Most often, donations to a group through a fiscal sponsor are eligible for these programs. The employee donating to your project must remember to note Springboard for the Arts as the recipient of the funds, with a notation of your project name. Forward any employer match forms to Springboard for processing. Once the matching check arrives, it will be credited in your account. Keep in mind that it often takes corporate matches several weeks to process before they are sent out.

In-kind Donations

An in-kind donation is a donation not of cash, but of goods that will benefit your organization, such as office equipment or items for a silent auction. Donations of property are fully deductible, but the donor



must determine the value. Contact Springboard in advance of accepting an in-kind donation if the donated item's value is larger than \$1,000.00. Unfortunately, Springboard cannot accept vehicle donations at this time. Springboard does not take an administrative percentage of the value of in-kind donations. Unlike donated goods, donated services are not tax-deductible. This includes rent, legal, accounting, graphic design, web design, or printing services. You can of course receive those kinds of donated services; it is just that the donor cannot get a tax deduction for them.

ACKNOWLEDGING DONATIONS

Springboard will send an acknowledgement email or letter to your donors of \$250.00 or more. The letter includes Springboard's federal ID number and serves as a receipt for the donation. You will also be copied on the email acknowledgement.

\$250.00 is the amount at which the IRS requires an acknowledgement letter. If you want acknowledgement letters to go out for donations less than \$250.00, you have two options.

Option 1: You can draft your own acknowledgement letter that includes the following paragraph:

[Project Name] is a sponsored project of Springboard for the Arts, a nonprofit arts service organization. Springboard for the Arts has been organized and operated to qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code; Taxpayer Identification Number 41-1690483.

Option 2: Springboard can write the acknowledgement letter for you, but you must email incubator@springboardforthearts.org a spreadsheet containing donation amounts, names, email addresses, and mail addresses of those you would like to receive acknowledgement letters. Please note we cannot send acknowledgement letters for donations made with cash.

Acknowledgements for donations through GiveMN.org are done automatically; Springboard does not send anything in addition for these donations.

Partially Deductible Donations

Donations are only fully deductible if whoever is donating does not receive goods or services for their donation. Sometimes you may want to offer your donors something in return, like tickets to a performance. In that case, the tax deduction and text are a little different:

[Project Name] is a sponsored project of Springboard for the Arts, a nonprofit arts service organization. Contributions on behalf of [Project Name] may be made payable to Springboard for the Arts. The value of [GOODS RECEIVED] is [\$XX]. Any contribution above that amount is tax deductible to the extent permitted by law.

Another common class of partially deductible donations is the purchase of a silent auction item. The tax-deductible portion is any amount paid over and above the stated value of the item.

