

The church **should not** set the value of the property. It is suggested that an individual letter be prepared and sent to the donor for each contribution within five (5) working days upon receipt of the property.

If the non-cash value is **\$500 to \$1,000**, there are additional filing requirements.

If the non-cash value is **more than \$5,000**, the donor must obtain a qualified appraisal.

Quid Pro Quo Contributions

A *quid pro quo* contribution is a payment made to a church which is partly for a contribution and partly in exchange for goods and services. Any such contribution of insubstantial value does not require a written acknowledgment from the church setting forth the value given in exchange for a contribution.

Any contribution more than insubstantial value in exchange for goods and services requires a written acknowledgement to the donor providing a "**good faith estimate**," stating the amount of the goods and services given to the donor. Such acknowledgement must further inform the donor that the tax-deductible portion of the contribution is the excess of the value of such goods and services.

The rule does not apply if only small token items with a low cost (bookmarks, key chains, mugs, etc.) are provided to the donor.

The tax law defines what is an insubstantial value and a low cost item. These are indexed for inflation, and you should check with the Internal Revenue Service or your tax advisor for the current amounts.