



## Guidelines for Events with Ticket Sales

### Calculating Fair Market Value and Donation Amounts

*(The following applies only to fundraising of a branch with 501(c)(3) status or fundraising of all branches for AAUW Funds. It also applies if checks for the event are payable to AAUW CA SPF. Information provided here follows IRS Publication 1771: Charitable Contributions – Substantiation and Disclosure Requirements.*

**IRS Regulations:** According to IRS regulations ([www.irs.gov/charity](http://www.irs.gov/charity)), when someone purchases a ticket to an event and attends it, the fair market value (FMV) of goods and services provided to them **MUST** be declared to the donor and deducted from the ticket amount. Only the remaining portion may be considered a donation. Even if food and other items were donated for the event at no cost to the event, a FMV must be determined for those items and deducted.

Items that must have a FMV include those things considered a benefit to the donor. These include food, beverages/bar, entertainment, gifts (over \$9.60) and parking. Items NOT included would be decorations, centerpieces, and token gifts (value under \$9.60). NOTE: Raffle tickets are NEVER tax-deductible, for any cause.

Example: An author luncheon has a ticket cost of \$100. The catering charge is \$35 per person including meal and dessert. Wine will be served with a FMV of \$8/person, allowing 1 ½ servings per attendee. There is no parking charge. There will be live music during lunch with a FMV of \$5/person. A copy of the author's book with a FMV of \$25 will go to each attendee. The overall FMV of the event is \$73 per person ( $\$35 + \$8 + \$5 + \$25 = \$73$ ) and the donation amount is \$27 ( $\$100 - \$73 = \$27$ ). See example on Tab 13 of Branch Treasurer's Accounting Guide.

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**AAUW Funds:** When branches hold special events and sell tickets, one of two methods may be used for sending monies to AAUW Funds to stay within IRS regulations. See <https://www.aauw.org/resources/member/contribution-report-form/> for transmittal form.

A. Branch Donation: All income is recorded (gross amount), all expenses are deducted, and the remaining amount (net amount) is sent to national. NO individual members are credited with donations. This is ONE entry for the entire branch as a Special Event.

B. Individual Donations: The fair market value (FMV) of the event must be determined and the Event Fair Market Value Worksheet filled out and submitted with the monies to national. Individual donations should be listed minus the FMV, showing only the donation amount allowable for each attendee. (Note: it is difficult to retain funds to cover event costs when using this method.)