



Soliciting, Acknowledging, and Tracking Contributions

For contributions to a branch to be tax deductible to the donor, the branch needs to be organized as a 501(c)(3) public charity. While volunteer time is not deductible, out-of-pocket expenses and a modest amount for mileage driven may also be deductible for members of branches organized as a 501(c)(3) public charity. Contributions to the branch (whether 501(c)(3) or 501(c)(4)) earmarked for AAUW Funds are tax deductible.

If the branch is a 501(c)(4) organization, in order to be deductible, member contributions made to Tech Trek or a special project fund should be made payable to AAUW CA SPF with the specific camp or project in the memo line. For Tech Trek, treasurers will forward checks to the appropriate camp treasurer by using deposit forms found on the AAUW California website [here](#). For other projects using SPF funds, checks should be forwarded to SPF using the deposit form on the SPF website [here](#).

If the branch is a 501(c)(3) organization, checks made payable to the branch can be deposited in the branch account and sent as a branch check for the total amount using the same forms as above, but using the branch name as the donor. In this case, the branch's 501(c)(3) status provides tax deductibility to the donor and donors need to be acknowledged by the branch as described below. If donor checks are made to SPF, the process for 501(c)(4) branches described above should be used.

Acknowledging Contributions - 501(c)(3) organizations are legally required to acknowledge contributions of \$250 or more in writing. The following are the required components of the acknowledgement:

- a. Name of the organization and tax-exempt status.
- b. Amount of cash contribution.
- c. Description (but not value) of non-cash contribution.
- d. Statement that no substantial goods or services were provided by the organization. If anything of a value of over 2% of the gift (for example, CD sets or other premiums often used in Public Television campaigns), the deduction is the amount in excess of the value of the premium. (For more specifics on acknowledgements, see IRS Publication 1771)
- e. Sample language follows:

Thank you for your generous contribution of \$xxxx to AAUW – Central California.
It will be used to provide scholarships to women pursuing advanced degrees.
Thank you for helping women realize their dreams for higher education.

Since AAUW – Central California is a 501(c)(3) not-for-profit under the IRS code,
your contribution is tax-deductible to the extent the law permits.

You have received no goods of value in exchange for your contribution.

Tracking Contributions - If the contribution was for a specific purpose, it must be tracked separately in branch accounting until used for the intended purpose. For example, money raised for a local STEM conference must be used for that event. Anything remaining should be noted in the accounting records until expended.



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Contributions to AAUW Funds that will be forwarded to national need to be tracked as a liability in a separate bookkeeping account. It is not necessary to use a separate bank account. Contributions sent to AAUW Funds should be accompanied by [this form](#).

Contributions for Scholarships – Some branches raise funds to be used for scholarships. Clear guidelines for such programs are important and may have tax status implications for branches and/or personal tax consequences for donors. For more information see AAUW Fund Raising Policy 502 – Scholarship Programs of AAUW Affiliates [here](#).

For **501(c)(4)** branches, to be deductible, contributions for scholarships must be made directly to the tax-deductible entity such as a college scholarship foundation or SPF projects.

Donations from an IRA and donations of stock – Contributors may wish to make gifts directly from an Individual Retirement Account or a stock portfolio. Transfers directly from the relevant account to a 501(c)(3) branch or other tax-deductible entity may provide increased tax benefits to the donor. Prospective donors should be advised to consult their tax advisors.