**The English-Speaking Union National
of the United States **

**BRANCH GIFT ACKNOWLEDGEMENT GUIDE
From ESU Finance**

**10.12.20**

**The ESU Branch Operations Manual states the following:**

*When a Branch receives any contributions or donations, including membership dues, as well as gifts of securities that are deposited directly into Branch accounts, the Branch (and not Headquarters) is responsible for acknowledging the gift, as it is a contribution received by the Branch not Headquarters. The Branch must do this; Headquarters cannot.*

*The Branch much send an appropriate “tax letter” that includes date of receipt of the gift, reiterates the kind of the gift (any restriction), mentions the method for transmittal (check, credit card, cash, PayPal, etc.), and confirms and certifies the tax deductibility (as a charitable deduction for federal income tax purposes) of the contribution and certifies that there has been no exchange of goods and services in return for the contribution.*

*If the gift in question is for a fundraising event during which there is a dinner or reception (the cost of the meal or benefit is not deductible), and the Branch must send a letter indicating what is and what is not deductible.*

*In the case of securities, the amount of the gift to be recognized is the fair market value on the date the securities are received by the brokerage firm (the brokerage firm handling the receipt should provide this information). If the securities are received into Headquarters’ brokerage account, headquarters must acknowledge the gift with the appropriate tax letter. Headquarters cannot acknowledge receipt of gifts that it has not received and that have not been deposited into its accounts.*

*However, if a Branch receives contributions (checks) that it forwards to Headquarters for deposit, it should not send a tax letter. Headquarters is responsible for sending that letter, as it is the recipient of the gift and that contribution will now show up on its books. Headquarters will arrange for any necessary reimbursement to the Branch.*

**The relevant disclosure from the IRS is:**

IRS requires donors to obtain written acknowledgements for contributions made for amounts which exceed $250.00. Written disclosures (acknowledgement letters) are mandated for not for profit organizations for Quid Pro Quo contributions of more than $75. As such ESU could face a penalty of $10 per donation or up to $5000 per fundraising event or mailing if written disclosures are not made.

See <https://www.irs.gov/pub/irs-pdf/p1771.pdf>

**BRANCH GIFT ACKNOWLEDGEMENT Templates**

Please feel free to add to the following language to acknowledge the specific gift, to what the donations was for (i.e., program) ***and any other personalized message***. However, we are required to keep the language that is presented in the draft.

Additionally, please print it on your Branch letterhead.

1. **Cash Contribution (no restrictions)**

[DATE]

Dear [NAME];

Thank you for your contribution to the English-Speaking Union of the United States [BRANCH name], LLC (ESU) in support of our mission to foster global understanding and good will by providing educational and cultural opportunities for students, educators, and members. We received your contribution on

[DATE] in the amount of [$XXX.XX]

No goods or services were provided to you by ESU in return for your contribution.

ESU is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to organizations with 501(c)(3) status may be tax deductible. Please consult your tax advisor to determine deductibility of this contribution. This letter is your receipt for income tax purposes.

Sincerely,

1. **Cash Contribution (quid pro quo)**

[DATE]

Dear [NAME];

Thank you for your contribution to the English-Speaking Union of the United States [BRANCH name], LLC (ESU) in support of our mission to foster global understanding and good will by providing educational and cultural opportunities for students, educators, and members. We received your contribution on

[DATE] in the amount of [$XXX.XX]

Please note that only the portion of your contribution that exceeds the value of any gifts you receive is tax-deductible. The estimated fair market value of your gift, two concert tickets, is [$XXX.XX] total.

ESU is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to organizations with 501(c)(3) status may be tax deductible. Please consult your tax advisor to determine deductibility of this contribution. This letter is your receipt for income tax purposes.

Sincerely,

1. **Cash Contribution (restricted donation)**

[DATE]

Dear [NAME]

Thank you for your contribution to the English-Speaking Union of the United States [BRANCH name], LLC (ESU) in support of our mission to foster global understanding and good will by providing educational and cultural opportunities for students, educators, and members. We received your contribution on

[DATE] in the amount of [$XXX.XX]

Designation: [DESCRIBE RESTRICTED USE/PROGRAM]

Please note that only the portion of your contribution that exceeds the value of any gifts you receive is tax-deductible. The estimated fair market value of your gift, two concert tickets, is [$XXX.XX] total.

ESU is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to organizations with 501(c)(3) status may be tax deductible. Please consult your tax advisor to determine deductibility of this contribution. This letter is your receipt for income tax purposes.

Sincerely,

1. **Donated Services or Use of Facilities**

[DATE]

Dear [NAME]

Thank you for your donation of [DESCRIBE DONATED SERVICES OR USE OF FACILITIES] on [DATE] to the English-Speaking Union of the United States [BRANCH name], LLC (ESU) in support of our mission to foster global understanding and good will by providing educational and cultural opportunities for students, educators, and members.

No goods or services were provided to you by ESU in return for your contribution.

ESU is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to organizations with 501(c)(3) status may be tax deductible. Please consult your tax advisor to determine deductibility of this contribution. This letter is your receipt for income tax purposes.

Sincerely,

1. **Non-Cash Property Contribution**

[DATE]

Dear [NAME]

Thank you for your contribution of [PROPERTY, USED EQUIPMENT, or SECURITIES], which is described below, to the English-Speaking Union of the United States [BRANCH name], LLC (ESU) in support of our mission to foster global understanding and good will by providing educational and cultural opportunities for students, educators, and members.

On [DATE], we received your contribution of:

1. [ITEM DESCRIPTION]
2. [ITEM DESCRIPTION]
3. [ITEM DESCRIPTION]

No goods or services were provided to you by ESU in return for your contribution.

ESU is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to organizations with 501(c)(3) status may be tax deductible. Please consult your tax advisor to determine deductibility of this contribution. This letter is your receipt for income tax purposes.

Sincerely,