



December 2004

## Don't forget a very popular benefit for your members: Travel Cards!

We hear it all the time: Members love their Travel Cards. It's such a valuable benefit for members who travel – it's like being a local member of all 150 MemberCard stations across the country!

Especially this time of year, as Snowbirds and others embark on winter vacations, reminding them of their Travel Card benefits is a wonderful way to build member loyalty and improve renewal rates. During an on-air drive, in your program guide or on your website, reminding members of their travel benefits is welcomed and appreciated information.

When they travel, all members need to do, is call 800-423-7645. Or visit your station's homepage at [membercard.com](http://membercard.com). For only the \$6.75 handling fee, MBI will send a travel card for one or several destination cities – it's just that simple.

So, don't forget to tell members about one of their most valuable benefits for being a member of your station – they'll thank you for it by renewing year after year at the MemberCard level and higher!

## And a Note About Taxes...

As the end of the year approaches, the question of tax deductibility may arise when member contribution statements are prepared. We at MBI are not accountants and therefore cannot recommend or sanction a station's tax deductibility policy, which must come from the station's own counsel. This "Tip" is intended for informational purposes only. Following is an overview of the guidelines currently in practice. Among the 150+ MemberCard stations, the consensus interpretation and precedent is:

### **MemberCard is considered diminimus and does not affect the tax deductibility of your members' contributions.**

Publication 526 states that the contribution level required to receive the benefit must be at \$82 or below, but members contributing more than \$82 who receive that benefit do not have to deduct the value of the benefit from their contribution for tax deduction purposes.

A reference to the \$82 level is standard in IRS documentation and it is clear that when MemberCard is at or below \$82, the entire gift is tax deductible. Levels above \$82 are less clear. Almost all stations with MemberCard above \$82 follow this IRS regulation: As long as the donor's contribution is four times greater than the cost of the item, the item is considered an "incidental token of support," and does not have to be deducted from the value of the charitable contribution.

### **In short, the policy in place for most stations is for members to claim their entire gift when receiving just the MemberCard.**

To see the IRS Publication 526 in its entirety, go to [www.irs.gov](http://www.irs.gov) and at the bottom click on "Forms and Publications" or go to [www.irs.ustreas.gov/pub/irs-pdf/p526.pdf](http://www.irs.ustreas.gov/pub/irs-pdf/p526.pdf). NOTE: The IRS has announced minor adjustments in its allowances for 2004. For full details, visit [www.irs.gov/pub/irs-drop/rp-03-85.pdf](http://www.irs.gov/pub/irs-drop/rp-03-85.pdf). For detailed information on IRS 6115, visit "Updates on Disclosures and Substantiation Rules" by Michael Seto and Dave Jones at this website: <http://ftp.fedworld.gov/pub/irs-utl/topic-g.pdf>.

*For archived Tips, samples & more, visit [www.membercard.com/membercard/stations](http://www.membercard.com/membercard/stations)*