

MemberCard Tax Deductibility PLUS Make a Little Money with Your Mailing!

Ah, January. Resolutions are made (and sometimes quickly broken), and hopes are high for what the New Year will bring. For non-profits, of course, there's always the "fun" of sending out tax receipts.

Your members, naturally, want to receive as much of a tax deduction for their contributions as possible. Here at MBI, we're not accountants or lawyers—though maybe some of us would like to play either on TV—so we can't recommend or sanction an organization's deductibility policy. Therefore, the below statement is for informational purposes only:

The vast majority of the 140+ MemberCard organizations view the MemberCard as not affecting the deductibility of a member's gift. Support for this view includes the IRS Rules for the "Token Exception Criteria."

Token Exception — Insubstantial goods or services a charitable organization provides in exchange for contributions do not have to be described in the acknowledgement.

Goods and services are considered to be insubstantial if the payment occurs in the context of a fundraising campaign, in which a charitable organization informs the donor of the amount of the contribution that is a deductible contribution, and:

The fair market value of the benefits received does not exceed the lesser of 2 percent of the payment or \$97.00, OR

The payment is at least \$48.50, the only items provided bear the organization's name or logo, and the cost of these items to the organization (not the fair market value) is within the limits for "low-cost articles," which is \$9.70.

In short, the policy in place for most organizations allows members to deduct the entirety of their gifts.

The above numbers have been updated for 2011. As always, we recommend you contact your station's legal counsel for specific advice.

And now, a hint on how you can recoup the cost of your tax receipt mailing. If you aren't already doing so, include a Business Reply Envelope with your tax receipt package. No need for a reply piece, no need to acknowledge the existence of the BRE. Just drop it in and see what happens! Many of our client organizations have found that they can at least break even on the mailing, due to the generosity of members who simply tuck a check in the BRE and send it back, unprompted!

Happy New Year from all of us at MBI! And as always, please don't hesitate to call me at 888-863-1842 or email me at deirdre@membercard.com with questions or to simply chat about your MemberCard program.

Take care,



Travel Benefits!

Now is the perfect time to remind your members about the TravelCard program – especially those of us up North fantasizing about beaches and palm trees!

For only a small Shipping and Handling fee of \$6.75, your members can enjoy 2-for-1 savings on lodging, attractions, dining and more at over 11,000 locations nationwide and in Canada.

Plus, members can earn online rewards when booking travel through your MemberCard.com website. Merchants include Avis, Enterprise Rent-a-Car, Expedia, JetBlue Partner Program, Southwest Airline Vacations, Travelocity and many more!