



# Premiums and Event Guidelines - Fair Market Value Declarations

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The following are guidelines for determining the need to report the fair market value of a gift or premium given to a person, donor or attendee of a CCC event:

1. If a gift or premium is given to a donor in exchange for a donation, the donation receipt must show the total amount of the contribution, the fair market value of the gift or premium and state that the tax deductible amount is the net difference of the total contribution minus the fair market value of the premium.
2. If an item of insubstantial value is given in return for a contribution, then the disclosure in #1 is not necessary. An item is of insubstantial value if it meets one of two alternative tests. First, if the related donation is \$47.50\* or more and the item is a calendar, mug, t-shirt, cap etc. bearing the CCC or related logo, it will be of insubstantial value if it cost no more than \$9.50\*. Alternatively, any item will be of insubstantial value if its fair market value does not exceed the lesser of 2% of the related donation or \$95\*. (These dollar values are indexed for inflation and change every year.) (The Finance Office will notify the CCC ministries and their Development leadership of the updated figures when they become available at the beginning of each year.) CCC will state that the full amount of the contribution is deductible.
3. If a person attends a CCC event such as a banquet, walkathon or golf tournament for which an admission is charged, the invitation or other material furnished to the attendee should state the amount of the charge that is a deductible contribution. This will be the admission charge minus the value of the meal furnished, or the value of the golf provided.
4. If a person attends a CCC event for which there is no admission charge (i.e. A Summit weekend) any subsequent donation made as a result of that attendance need not be reduced by the fair market value of the attendance, provided that there is no requirement, express or implied, that a contribution be made by attendees.
5. If a person attends a CCC event where relatively large gifts or premiums have been donated for prizes which are awarded to attendees based on a free drawing or competition, the fair market value of such items need not be reported as a reduction of the amount of any contribution by an attendee receiving such a prize, even though the value of the prize constitutes taxable income to the recipient. If the fair market value of the prize given to an individual is \$600 or more, CCC Finance Office should be consulted as to the possible requirement for reporting the transaction on a form 1099 filed with the individual and with the IRS.
6. If a person attends a CCC auction and bids on goods or services that have a fair market value less than the bid price, then the donation receipt must show the bid price, the fair market value of the goods or services and state that the tax deductible amount is the net difference of the bid price minus the fair market value of the goods or services received.

- These figures have been updated for 2009.
- The CCC ministry offering gifts or premiums must submit the FMV(s) of those items to Donation Services prior to offering them through a direct marketing effort, event or other means. For questions or clarification please contact the Fund Development area of Donation Services.