



Transmittal of Auction Proceeds

I. Introduction

- A. If an auction is part of the event, the following additional forms will need to be submitted:
 - 1. Transmittal of Auction Proceeds: to record items purchased at an auction and to recognize as donations amounts paid over the fair market value.
- B. Reminders for Auctions
 - 1. The Internal Revenue Service (“IRS”) requires donors show all or part of a payment is a charitable contribution. A donor’s payment that has a quid pro quo element, even though charitable, will not be tax deductible unless:
 - a. the donor **intends** to pay an amount that exceeds the fair market value of the goods or services; and
 - b. the donor **pays** the amount.
 - 2. In order for the donor at an auction event to be aware his/her bid exceeds the fair market value, the fair market value must be displayed with the item at the time of the sale or in any printed materials listing the items such as a catalog.

II. Transmittal of Auction Proceeds

- A. This transmittal form should be submitted when depositing monies raised from auction sales. The transmittal should indicate the donor who had the winning bid for each auction item as well as the fair market value of each item auctioned.
- B. Please attach any supporting documents to the transmittal.
- C. The difference between the bid price and the fair market value price will be considered tax deductible to the winning bidder.
- D. If there was a tax deductible component and the total payment amount was \$75 or more, the Foundation will record and acknowledge it as a gift from the purchaser.

III. How to fill out a Transmittal of Auction Items

1 & 2	Project # and Project Title	Insert the project number this event will relate to (i.e. account expenses to be taken out, revenues to be deposited into) The title of the fund.
3	Date	The department the fund relates to.
4	Dept	Date the transmittal is submitted.
5	Address	The address of the contact person.
6	Contact – Name	The individual who will be the contact person for this event who can answer questions regarding this event.
7	Phone #	The phone number of the contact.
8	Purchaser Name & Address	The donor’s name and address, who was the winning bidder of an auction item.
9	Description of Item	Description of auction item. List each item separately even if a purchaser received multiple items.
10	Fair Market Value	The fair market value of the auction item. The fair market value is the cost to an individual if he/she were to buy the item outright in the market place, i.e. retail cost to purchase in a store or the actual non-discounted per item price paid by the program.
11	Bid Amount	The winning bid price. Allocate amount received into the appropriate columns. (If item was paid by cash or check.)
12	Total	The total in cash and checks submitted with the transmittal.
13	Signature of Account Administrator	Certification of the Account Administrator to the particular project number.