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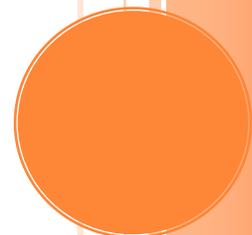
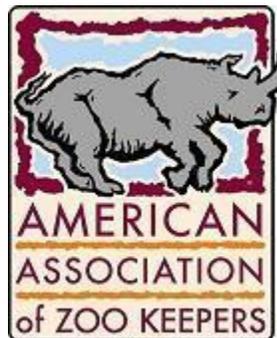
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AAZK BOWLING FOR RHINOS

Guidelines for Event Reporting - 2020

The material contained in this guidebook will assist Bowling for Rhino event holders in completing the required financial forms and donation tracking for your event. It will provide you with supplemental information and requirements set forth by the Internal Revenue Service and AAZK policy for documenting BFR Events.



AAZK BOWLING FOR RHINOS

Guidelines for Event Reporting

Introduction

Bowling for Rhinos is a Program of the American Association of Zoo Keepers, a 501 (c)(3) Federal Non-profit entity. Originating with the Greater Kansas Chapter of AAZK, rhino fundraising events were officially formalized and organized into Bowling for Rhinos in 1990. AAZK maintains the position that 100% of event profits are directed to support our Bowling for Rhinos Conservation Partners, the Lewa Wildlife Conservancy, the International Rhino Foundation, Action for Cheetahs in Kenya and the AAZK Conservation Resource Grant for in-situ and ex-situ rhino research.

In 2016 AAZK began the process of improving the documentation of income and expenses associated with over 85 Bowling for Rhino events held in North America and beyond. These guidelines and AAZK policy have been drafted and implemented to improve compliance with Internal Revenue Service regulations for AAZK Chapter events held *within* the United States. IRS regulations do not apply to Canadian AAZK Chapters or International Events. Canadian Chapters shall follow the regulations of Canada Revenue Authority and all other international events shall follow the applicable regulations within their country.

AAZK has created comprehensive references and resources to be utilized in compiling the documentation of your Event.

At the conclusion of these Guidelines, contact information is provided so that Bowling for Rhinos Chapter event holders may reach either the CEO/CFO of the Association, the Program Manager for Bowling for Rhinos, or the Board of Director Oversight for Bowling for Rhinos to receive timely assistance with any questions, concerns or direction.

Sanction

All Bowling for Rhinos (BFR) events require sanctioning by AAZK which holds the master Tax Identification Number and Group Exemption Letter allowing subordinate AAZK Chapters relief from paying Federal Income Tax. Note that a BFR Event is any event utilizing that title and is not limited to bowling. It applies to every event type such as Baking, Rocking, Rummage, Curling, Winos, etc., for Rhinos. Sanction is required simply so that it can be determined by AAZK that all BFR events are held by a subordinate Chapter of AAZK in good standing, and is an affirmation that the subordinate Chapter of AAZK BFR event holder utilize their assigned Federal Tax ID # in association with the event.

Only subordinate Chapters of AAZK will be immediately sanctioned to hold a BFR event under AAZK Federal Non-profit tax status. Groups, such as schools, zoos, international events, or former AAZK Chapters will be required to provide evidence of a Federal Tax ID through an internal relationship (such as a non-profit host facility or non-profit supporting society) in order to receive sanction from AAZK.

In order to receive Sanction for a BFR Event, the BFR event holder will annually register their event with AAZK by completing the **BFR Event Information Form** and pay a **\$25.00 (USD) Registration Fee**. The deadline to register a BFR event and pay the associated Registration Fee is **May 1**.

The Registration Fee helps offset the expenses associated with managing the AAZK BFR Program and allows 100% of the profits to be forwarded to our BFR Conservation Partners. Examples of expenses incurred by AAZK and offset by BFR Registration Fees are; Bank Fees, Wire Transfer Fees, Credit/Debit Card Fees, Organized Giving Fees, Online Giving Fees, Tax Preparation and Accounting.

The **BFR Event Information Form** may be accessed, completed and submitted electronically by visiting the link at <https://aazk.org/bowling-for-rhinos/>. A completed BFR Event Information Form may also be printed, completed, scanned and emailed to BFR@aazk.org “Attention Event Coordinator” in the subject line.

All AAZK Chapter BFR event holders are required to complete the BFR Event Information Form AND pay the \$25.00 (USD) Registration Fee to receive Sanction by May 1. Failure to complete the BFR Event Information Form and pay the Registration Fee will cause the BFR Event not to be sanctioned by AAZK. Holding a BFR Event without official Sanction would be a violation of AAZK Policy. This would place the subordinate AAZK Chapter in violation of AAZK Bylaws and therefore may place the Chapter Charter in jeopardy. Failure to have an event sanctioned by May 1 will also cause that event, and its participants, to be ineligible for any travel opportunities awarded by the BFR Program.

BFR Registration Fee for event sanction shall be made out to AAZK and mailed to:

AAZK
8476 E. Speedway Blvd
Suite 204
Tucson, AZ 85710-1728

AAZK shall also accept registration fee payment by credit or Debit Card by calling (520) 298-9688.

BFR Event Kit

After submitting the BFR Event Information Form **and** paying the BFR Registration Fee the BFR event shall be sanctioned by AAZK. At this time the BFR Program Event Coordinator will issue a **BFR Event Kit** for the sanctioned BFR event. This kit will be emailed to the addresses provided on the Event Information Form.

The **BFR Event Kit** will include **required** forms to file with AAZK upon completion of your BFR event and **suggested** official templates created by AAZK to meet IRS regulations for reporting that can be copy/pasted and customized on Chapter letterhead for your AAZK BFR sanctioned event.

The AAZK BFR Event Kit contains:

Bowling for Rhinos Financial Spreadsheet (**required**)

Trip Nominee Information Form (**required**)

Bowling for Rhinos Donation Tracking Spreadsheet (**optional**)

Bowling for Rhinos Business Donation Thank You Letter

Bowling for Rhinos Personal Donation Thank You Letter

Bowling for Rhinos Formal Monetary Donation Acknowledgement Letter

Bowling for Rhinos In Kind - Quid Donation Acknowledgement

Bowling for Rhinos Sponsor Sheet

Bowling for Rhinos Blank Receipts

The MS Excel® spreadsheets are “fillable” and dated by year of the BFR event, The MS Word® letters may be copied and pasted onto Chapter stationery or may be customized for your event by adding your Chapter logo and address, but the body of the letter contains information required by the IRS. The receipts may be printed for in-fill and distribution and also contain a

disclaimer required by the IRS. Google Forms should be submitted electronically by the deadlines stated.

Once your Chapter's Registration Fee and Event Information Form have been received you will also receive access to the Bowling For Rhinos Online Resources Drive, which contains electronic copies of all required and suggested documents, as well as information to help you promote your event.

In addition AAZK will continue to maintain online resources for sanctioned events on the AAZK Webpage (www.aazk.org) under the Bowling for Rhinos tab. The resources will include logos, promotional videos, press releases, Public Service Announcements (examples), ideas, and other reference material including applicable publications from the IRS on Non-profit event operation. AAZK also has a printed tri-fold brochure which defines the purpose of Bowling for Rhinos to potential sponsors and donors.

AAZK Trip Nomination

AAZK will award a total of five (5) trips to international destinations to sanctioned event holders who have met all deadlines for required submissions. Three (3) of these trips, Anna Merz Rhino Champion Award, Ian Craig Rhino Champion Award, and African Rhino Champion Award, are sponsored and hosted by Lewa Wildlife Conservancy and includes a travel opportunity to Kenya. The remaining two (2) trips, Susie Ellis Rhino Champion Award and Asian Rhino Champion Award, are sponsored and hosted by the International Rhino Foundation and includes a travel opportunity to Indonesia.

In order to qualify for a trip award each sanctioned event shall complete and file the **BFR Event Information Form and remit the Registration Fee by May 1 of each calendar year AND shall submit final events funds to AAZK by the November 15 deadline.** Final BFR Event funds *shall* be in the form of a check and mailed to AAZK postmarked no later than **November 15.**

The nomination form for the Anna Merz Rhino Champion Award is included with the BFR Event Information Form and must be completed and submitted by May 1 for the nominee to be eligible for the award. In order to be eligible to receive one of the remaining four (4) awards the **BFR Trip Nominee Information Form**, included in the Event Kit and the Bowling For Rhinos Online Resources Drive, must be completed and submitted within thirty (30) days of event completion or by **November 15.**

Failure to submit any of the above by their required deadlines will cause your chapter to be ineligible to receive a trip awarded.

AAZK awards the **Anna Merz Rhino Champion (AMC) Award** by random drawing. Each Chapter will have the opportunity to nominate one individual for this award with each nominee having an equal chance of being drawn as the winner. Nominees for this award should be based on merit and commitment to the Chapter's BFR program. Eligibility requirements can be found in the BFR Funding and Trip Winner Policy section at <https://aazk.org/bowling-for-rhinos/bowling-for-rhinos-resources/>

In order to qualify for the **Anna Merz Rhino Champion Award**, each sanctioned event shall complete and file the **BFR Event Information Form** including the completion of the **AMC Nomination section** within the form by **May 1** of each calendar year AND shall submit the event registration fee and final events funds to AAZK by the deadline.

Four (4) trips are awarded based on the Chapter's aggregate sanctioned event total. The two Chapters with the highest aggregate event totals will have a trip to the destination of their choice awarded to their trip nominee. The remaining two trips will be awarded by a random drawing. All Chapters who meet all respective deadlines will receive one entry into the drawing. Chapters will receive one additional entry for every \$1000 raised.

Complete rules, financial compensation details, and eligibility requirements can be found in the BFR Funding and Trip Winner Policy section at <https://aazk.org/bowling-for-rhinos/bowling-for-rhinos-resources/>

Financial Reporting

As a Program of AAZK, Bowling for Rhinos requires detailed reporting to the IRS. The primary component of reporting is the Financial Spreadsheet. The IRS requires detail and precise accounting of every sanctioned event.

All AAZK Chapter BFR event holders will be required to complete and file a Financial Statement regarding the Income and Expenses of the sanctioned event. Failure to file the Financial Statement will cause future BFR event requests not to be sanctioned by AAZK until a Financial Statement is filed with AAZK. This would be a violation of AAZK Policy and place the subordinate AAZK Chapter in violation of AAZK Bylaws, and therefore may place the Chapter Charter in jeopardy.

The AAZK BFR Financial Statement included in the BFR Event Kit is an MS Excel® Spreadsheet. The form is "fillable" and expandable, with Sum Tables to assist in calculations and slightly more detailed to provide required information to the IRS.

AAZK requires sanctioned BFR events to track income derived from bowler (or other event) entry or participation fees, donations of all types, raffles and/or auctions, BFR merchandise sales, and miscellaneous income and at the same time, detailing expenses of the sanctioned BFR event such as rental fees, postage, production costs, advertising and other miscellaneous expenses.

While the Financial Spreadsheet is not a forensic accounting document, AAZK is required by the IRS to provide a detailed summary of all income, including any AAZK Chapter underwriting of sanctioned event expenses, and a detail of all expenses associated with the sanctioned event for the IRS. It is critical that the Total Profit figure matches the payment executed to AAZK in the form of a check or money order.

It has been fairly common in the past for Chapters to underwrite some or all of the expenses associated with a sanctioned event by just increasing the check amount after income and expenses have been totaled – for this AAZK BFR is very appreciative, but in order to be in compliance with IRS regulation the increased amount must be detailed as a donation income by the Chapter on the Financial Statement.

Here are examples of how this can be easily accomplished:

1. If the Chapter intends to underwrite all or some of the actual expenses associated with a sanctioned BFR event then the Chapter would simply add the figure they intend to underwrite for expenses but define that amount as a **monetary donation**, adding that donation to any other monetary donations received and listing the total income derived from monetary donations on the Financial Spreadsheet, logging any monetary donation \$250.00 or above on the BFR Donation Tracking Spreadsheet.

A practical example:

The sanctioned BFR event has \$350.00 in expenses but the Chapter wished to cover those expenses and maybe kick some additional funds into the BFR Profit, say \$150.00 – the Chapter would simply add \$500.00 to the **Monetary Donation** total of the BFR Financial Spreadsheet. Since this donation is over \$250.00, they would then log the donation on the BFR Donation Tracking Spreadsheet in the name of the Chapter.

2. Chapters also cover sanctioned event expenses or simply donate to the sanctioned BFR event by “rounding up” the final total (Profit). For this AAZK BFR is very appreciative, however the “round up” figure must be defined as a **Monetary Donation**. The “round-up” figure is added to the total of all other monetary donations and the total of all monetary donations is reported on the BFR Financial Spreadsheet. To repeat, if the “round up” figure is over \$250.00 the monetary donation is logged on the BFR Donation Tracking Spreadsheet in the name of the Chapter.

Once final accounting has been completed then the sanctioned BFR event holder will execute a **check or money order to AAZK/BFR** that matches the financial accounting (Profit) on the Financial Statement. The completed Financial Statement should be included with the payment and **mailed** to:

AAZK
8476 E. Speedway Blvd
Suite 204
Tucson, AZ 85710-1728

You may also email a copy of the Financial Statement to:

Ed.Hansen@aazk.org

The sanctioned BFR event check or money order is in fact a donation to AAZK from the sanctioned event holder (Chapter), who in turn tallies all the sanctioned event totals and donates the funds to our AAZK BFR Conservation Partners per the member-adopted funding matrix. The BFR Event Donation is listed on the Chapter Re-charter Materials under Donation Outflow – Section 5 as Bowling for Rhinos and the assigned Tax ID for AAZK is 23-7274856.

Please do not utilize the AAZK Online Donation feature to forward funds raised from an AAZK sanctioned event. If an AAZK Chapter elects not to hold a sanctioned BFR event but instead simply wishes to make a donation to AAZK BFR then the donation button may be utilized, however a check or money order is preferred to mitigate credit card transaction fees applied to an online transaction. ***Please do not send cash.***

Donation Tracking

The tracking of monetary donations, online donations, or donations of Goods and Services is a critical detail for AAZK, a 501 (c)(3) Federal Non-profit entity when filing our annual tax information with the IRS. This section of the Guidelines, while being the most critical, is also the most complicated aspect of hosting a sanctioned BFR event. In an attempt to qualify and simplify the guidelines, the Donation Tracking is broken down by amount of donation, followed by the type of donation and entered on the AAZK Donation Tracking Form for documentation in case of IRS audit of the AAZK Chapter. It is recommended that you forward the Donation Tracking Spreadsheet to AAZK each year so that documentation is housed in AAZK files and important information about your BFR event is not inadvertently deleted, discarded, or lost in the transition of leadership.

The definition of Donation as defined by the IRS is: *That of a gift to a charity or charitable entity in where there is no expectation of any compensation for such gift by the donor other than the ability to take a personal or business tax deduction for the gift.*

It is important when reviewing the guidelines for Donation Tracking that sanctioned BFR event holders do not confuse a donation with a participant (entry) fee where a *portion* of the participant fee may meet the definition of a donation. This is known in IRS terms as a Quid Pro Quo donation and will be explained at the end of the Guidelines.

Monetary Donations

According to IRS regulations all donations to a 501 (c)((3) non-profit entity and therefore a sanctioned BFR Event are required to be acknowledged and documented (tracked) for the legal record. Evidence of Acknowledgement to the donor and tracking takes on many forms, including:

- Cancelled Check (donor) and Copy of Check (Event Holder)
Note: Multiple checks can be copied on 1 page as long as donor, date and amount are evident
- Credit/Debit Card Transaction Receipt
- Cash Receipt (Available in the BFR Event Kit)
- Thank You by E-mail
- Thank You Letter (Available in BFR Event Kit)

Copies of the above information shall be retained by the sanctioned BFR Event Holder for three (3) years in case of IRS audit. The total of all **Monetary Donations** are entered on the Monetary Donation Income line item on the BFR Financial Spreadsheet.

AAZK Online Donations

AAZK offers donors the opportunity to conveniently donate to AAZK's BFR Program by use of the Online Donation feature found on AAZK's website. **This donation feature is not intended for sanctioned event holders to forward funds raised from sanctioned BFR events to AAZK.**

Sanctioned BFR event holders may offer donors who are in or outside their community to donate to a sanctioned BFR event utilizing the online donation feature. It is up to the sanctioned BFR event holder to remind the donors to select the AAZK BFR Chapter from the drop down menu or enter the Chapter name into the Comment Box.

Online Donations are reported separately by AAZK under the AAZK Tax ID # as BFR Donation Income to the IRS. Online donations are acknowledged by AAZK in return E-mail. Online donations are then **CREDITED** to the sanctioned BFR event holder as directed by the donor by the AAZK CFO.

To avoid duplication of Donation Tracking, the sanctioned BFR event holders **SHALL NOT** enter online donations into the BFR Donation Tracking Spreadsheet or report those donations on the BFR Financial Spreadsheet.

AAZK Directed Donations

In the same manner, AAZK occasionally receives donations in the form of a Personal, Business, or Payroll deduction/Employer Giving Program check from a donor. AAZK will report these donations (and as required per IRS regulation for Payroll/Matching Employer Gift Programs) under the AAZK Tax ID # as BFR Donation Income *and* when (*if*) directed by the Donor, **CREDIT** the donation to the sanctioned BFR event holder annual total by the AAZK CFO.

To avoid duplication of Directed Donation Tracking, the sanctioned BFR event holders **SHALL NOT** enter directed donations sent directly to AAZK into the BFR Donation Tracking Spreadsheet or report those donations on the BFR Financial Spreadsheet.

Monetary Donations - \$250 and Above

Both AAZK and the IRS require tracking of all monetary donations received by the sanctioned BFR event holder that are equal to or above \$250.00. **ALL Monetary Donations** of \$250.00 and above are entered into the BFR Donation Tracking Spreadsheet by donor name, amount type (check, cash, credit), and date and then added to the total of all Monetary Donations and entered into the BFR Financial Spreadsheet.

The IRS **REQUIRES** a 501 (c)(3) Non-profit entity (sanctioned BFR event holder) to Formally Acknowledge any **Monetary Donation** over \$250.00 when *requested* by a donor. The Formal Acknowledgment Letter is available as a template in the BFR Event Kit. AAZK believes it is good policy and practice to issue a Thank You in some format for every donation to AAZK Bowling for Rhinos but Formal Acknowledgement is required upon donor *request* if the amount is \$250 or above.

Donations of Goods or Services

Donations of Goods or Services take on many forms for a sanctioned BFR Event but most donations of this type are solicited by the sanctioned event holder for Door Prizes, Raffle, Auction or similar.

Examples of **Tangible Goods**: Artwork, Travel, Book, Appliance, Clothing, etc.

Examples of **Services**: Tour, Lesson, Car Wash, Cosmetology, Oil Change, etc.

When soliciting donations of tangible **Goods or Services** to be raffled, auctioned, or otherwise given as a prize from a **Business**, the business is normally donating to promote their business *without* expectation of a business tax deduction. It is good practice to ask the donor to qualify the value of the donation by specific figure or set the upper limit of value. Once the donation of tangible Goods or Service is received by the sanctioned BFR event holder, or at the conclusion of the event, a Thank You letter from the BFR Event Kit is issued to the donating business. The Thank You letter will re-state the value of the Tangible Goods or Services as determined by the Donation or state the value of the Business Donation as the value is either known or easily determined.

Example #1: The sanctioned BFR event solicits a donation from a business that provides vehicle services. The business response is a coupon for one free oil change valued up to \$19.95. The sanctioned BFR event holder would issue a Thank You letter containing the statement – “Thank you for your donation of one free oil change valued at/up to \$19.95”, within the body of the letter. The letter would be signed by a representative of the sanctioned BFR event and returned to the donor. A copy of the Thank You letter is kept on file for three (3) years by the sanctioned BFR event holder, primarily to provide proof of business tax deduction to the IRS *if* a deduction is taken by the business.

Example #2: The sanctioned BFR event solicits a donation from a jeweler. The jeweler response is to offer a rhino pendant necklace. The sanctioned BFR event holder would determine the sale price of the rhino pendant necklace and then issue a Thank You letter containing the statement – “Thank you for your donation of a rhino pendant necklace – sale price \$ X”, within the body of the letter. The letter would be signed by a representative of the sanctioned BFR event and returned to the donor. A copy of the Thank You letter is kept on file for three (3) years by the sanctioned BFR event holder as above.

When soliciting donations of tangible **Goods or Services** to be raffled, auctioned, or otherwise given as a prize from a **Personal Contact** the process is very different as donations from a person are normally made to take advantage of personal tax deduction. The value of the Goods and Services must be **declared** by the Donor at the time of donation.

When soliciting donations of tangible Goods or Services from family, friends, colleagues, docents or volunteers, etc, it is best practice to have the **Donation of Goods and Services Acknowledgement Letter** in hand *at the time of donation* so that value can be determined by the donor and receipt of the donation can be acknowledged and both actions are attested to by signature from the donor and representative from the sanctioned BFR event holder. A copy of the Acknowledgement letter is kept on file for three (3) years by the sanctioned BFR event holder as proof of donation if a personal tax deduction is (if) claimed by the donor.

The sanctioned BFR event holder would then total the **value** of all donated Goods or Services and enter the total figure on the designated Income Line on the BFR Financial

Spreadsheet. To complete the accounting process the sanctioned BFR event holder would then list the **same value total** on the Expense Line of the BFR Financial Spreadsheet, declaring to the IRS that all donations of Goods or Services received were auctioned, raffled or awarded as Door Prizes or any similar activity and the income realized from Goods and Services through tickets sales or other is reported elsewhere in the BFR Financial Statement.

Donations - \$1,000.00 or Above

AAZK Bylaws prevent subordinate Chapters of AAZK from entering into negotiation of any agreement where the amount in consideration is \$1000.00 or greater. The AAZK Bylaws are the governing document for sanctioned BFR event holders and willful violation of an AAZK Bylaw is grounds for a formal Ethics investigation. AAZK Bylaws prevent AAZK Chapters from holding or taking title to real property including vehicles or real estate.

Sanctioned BFR event holders shall communicate with AAZK prior to accepting a donation of any type at, or valued at, \$1000.00 or above. The Sanctioned BFR Event Holder may seek approval by contacting the AAZK CEO/CFO at Ed.Hansen@aazk.org

For a **monetary donation** of \$1000.00 or above the approval process is simply a formality to ensure the proper reporting on behalf of the sanctioned event holder on the BFR Donation Tracking Spreadsheet and BFR Financial Spreadsheet along with IRS requirements for Formal Acknowledgement when *requested* by the donor.

For donations of Goods or Services with a **value** assigned by the donor that is \$1000.00 or greater, the approval process is more complicated as it the assumption of AAZK that the donation of Goods or Services is intended to be a Door Prize, Raffle Prize or Auction Item.

The approval process is predicated on proper acceptance of the Donation of Goods or Services valued at over \$1000.00 and adding the value of the donation to all other donations of Goods or Services and entering the total on the G/S Donation Income line item and then relisting the total of donated Goods and Service items on the Donation Expense line item expense thereby signifying that all donated items of Goods and Services were distributed, awarded or conveyed at the sanctioned BFR event. Approval can be gained by contacting the AAZK CEO/CFO at Ed.Hansen@aazk.org

AAZK will then seek to ensure the regulations regarding conveyance of winnings and IRS regulations regarding Gambling are followed as defined later in these Guidelines.

Donations - \$5,000.00 or Above

A **Monetary Donation** of \$5,000 or above, or a donation of **Goods or Services** valued at \$5,000 or above is normally required to be directly reported to the IRS on an IRS990 Income Tax Form. On average, only 3-4 AAZK subordinate Chapters file an annual IRS990 Tax Form,

so accepting a donation in this amount may automatically require a subordinate AAZK Chapter to file a complicated and expensive IRS Tax Form.

A donation of Tangible Goods exceeding the value of \$5,000 requires an independent appraisal of the item by a certified independent appraiser and third party proof of value.

As a subordinate of AAZK, the Chapter is required by AAZK Bylaws to receive approval for any donation \$1000.00 or greater. The subordinate Chapter may wish to discuss options for donation acceptance with AAZK by contacting the AAZK CEO/CFO at Ed.Hansen@aazk.org.

Donations of In-kind Services

A donation of Services (Example: Food, Beverage, Bowling Alley or similar) to a sanctioned AAZK BFR event is where the only expectation of the Donor is to be promoted as a contributing sponsor of the BFR event.

Donations of In-kind Services **do not** require documentation on the AAZK BFR Financial Spreadsheet as this type of Service is intended for promotion and not income generation for a sanctioned AAZK BFR event.

Donations - Quid Pro Quo

A Quid Pro Quo donation is one where the donor makes the donation on the *condition or understanding* that the donor shall receive something of value in return for their donation. This is called a Disclosure Statement. A Disclosure Statement regarding a Quid Pro Quo donation is only required by the IRS **when the value of the donation exceeds \$75.00**.

Example: If a donor gives the sanctioned AAZK Chapter \$100.00 and receives two (2) tickets to participate in the BFR event, valued at \$50.00 total, the donor has made a quid pro quo contribution. In this example, the charitable contribution part of the payment is \$50. Even though the deductible part of the payment is not more than \$75, a **Disclosure statement** (below) shall be provided by the organization to the donor because the donor's payment (quid pro quo contribution) is more than \$75. In simple terms – the net value of the Donation is only \$50.00. The Disclosure Statement for a Quid Pro Quo donation is normally incorporated into the Donor Acknowledgment Letter. Failure to make the required disclosure (below) may result in a **penalty** to the organization.

Sample Disclosure Statement: The contribution that is deductible for federal income tax purposes is limited to the excess of any money contributed by the donor over the value of goods or services provided by the charity.

Auctions

Auctions are normally known as the Sale of Goods. Rules regarding Auctions (Live or Silent) may vary from state to state so it is a good idea to research the legal requirements in your state or local community, or for international events, the regulations of the governing authority.

The Sale of Goods, through an Auction of any type or the sale of t-shirts or similar in association with a sanctioned BFR event are most likely subject to sales tax with your state (province) and/or local community. The Federal Tax Identification Number (Tax ID) assigned to the Chapter *does not* waive any rights to pay sale tax on purchased goods nor alleviate the responsibility for charging sales tax on any item sold in conjunction with a sanctioned BFR event.

Waivers from Charging Sales Tax *sometimes* exist for Non-profits, one-time events or when sales do not achieve a minimum amount. It is the responsibility of the sanctioned BFR event holder to determine the legal requirements at the state (province) and local level and to follow those regulations. Legal requirements are normally researched and obtained from the Secretary of State office (or similar). Sanctioned BFR event holders may also be required to obtain permits for sale or sales tax from local (city or county) jurisdictions.

Auctions held electronically (Internet Auctions) also have special restrictions imposed on the Federal and State level. Legal requirements (permit) are normally researched and obtained from the Secretary of State office (or similar). International events shall follow regulations stipulated by the governing authority. AAZK strongly discourages Internet Auctions organized and administered by the sanctioned BFR event holder but holds no position on items offered for legal sale (bid) on recognized third party sites (Ebay©), provided the sanctioned BFR event holder **has proof of item ownership** and follows all legal requirements on payment of sales tax and shipment.

Animal Art items created by animals housed at a Host Facility or other facility are required to have the permission of the facility prior to offer for sale. Items valued at over \$1000.00 require permission from AAZK prior to securing the donation and offering of item for sale. Contact the AAZK CEO/CFO at Ed.Hansen@aazk.org.

Gambling

Per IRS regulation “Raffle” is defined: *In general, a raffle is considered a form of lottery (gambling). As such, a raffle generally refers to a method for the distribution of prizes among persons who have paid for a chance to win such prizes, usually determined by the numbers, or symbols, on tickets drawn.*

Per IRS definition this would encompass the award of Door Prizes, Raffles (or similar). It is the direct responsibility of the sanctioned BFR event holder to determine the legal requirements or permit required (if any) for holding a raffle, lottery, game of chance, etc., within

their state (or province) by contacting the appropriate governing authority, normally the Secretary of State (or similar).

This would specifically include any and all opportunities to purchase a ticket for a chance to win a prize, purchase a Raffle (or similar) ticket(s). **Internet gaming** is not legal *or* is taxed by the IRS in some states. It is incumbent upon the sanctioned BFR event holder to determine and fulfill the legal requirements within their State (or province) by contacting the appropriate governing authority, normally the Secretary of State (or similar) and to provide a disclaimer for **Internet gaming opportunities** that confines the opportunity to *only* those within the State and disqualifies any other entries. Online (Internet) ticket sales to participate in the sanctioned BFR event are not affected by the IRS regulations regarding online gambling. International events will be required to comply with regulations stipulated by the governing authority.

Within the U.S., where a donated item **with a value of \$600.00 or greater as assigned by the donor** is raffled, auctioned, awarded to a person or persons who have paid for a chance (gambled) to win a specific item or any item, the actual assigned value of the item shall be reported to the IRS. The sanctioned BFR event shall disclose the requirement to complete IRS Form 5474 which discloses the gambling winnings to the IRS and mandates the winner declare the value of the winning on their personal income tax as income derived from gambling.

Per IRS Regulation, a person receiving gambling winnings must furnish the sanctioned BFR event a statement on IRS Form 5754 made under penalties of perjury stating his or her identity and the identity of any others entitled to the winnings (and their shares of the winnings.) When the person receiving winnings is not the actual winner, or is a member of a group of two or more winners on a single ticket, the recipient must furnish the sanctioned BFR event with the information listed on IRS Form 5754, *Statement by Person(s) Receiving Gambling Winnings*, and the sanctioned BFR event shall file Forms W-2G based on that information. **The sanctioned BFR event shall keep Form 5754 for four (4) years** and make it available for IRS inspection. (See the specific instructions for IRS Form 5754 for more information.)

The sanctioned BFR event shall file Forms W-2G with the IRS by the last day of February of the year after the year of the raffle. Use Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*, to transmit Forms W-2G to the IRS. The sanctioned BFR event shall also issue Forms W-2G to prize recipients by January 31 of the year after the year of the raffle.

AZK maintains all the required IRS reporting forms. These forms are available upon request to sanctioned BFR event holders (Chapters) who intend to solicit a donation or receive a donation of Goods or Services valued at over \$600.00 with the intention of offering those items as Door Prize, Raffle Item or Auction Item.

Supplemental Insurance

Normally a Bowling establishment will carry liability insurance to protect visitors to the establishment from injuries that may occur on their property. It should be noted that Bowlers are not normally protected from injury that may occur in the performance of a “sport” unless mitigating circumstances can be demonstrated and proven to contribute to the cause of an injury.

It is realized that not all AAZK BFR Events are bowling events. If your BFR event is a non-bowling event, the property holder may request supplemental insurance from the event holder. This is common in “race” type events, where the entity (city or county) may seek additional insurance from the event organizer.

AAZK may supply supplemental insurance that list the Chapter as additionally insured at the discretion of AAZK’s insurance carrier for special events. To inquire about supplemental insurance please contact the AAZK CEO/CFO at Ed.Hansen@aazk.org

Resources

Resources for sanctioned BFR Event Holders can be accessed by visiting www.aazk.org/bowling-for-rhinos/bowling-for-rhinos-resources/. Sanctioned events will also receive access to the Bowling For Rhinos Online Resource Drive.

For copies of the AAZK Brochure – Bowling for Rhinos, please contact Ed.Hansen@aazk.org

For a List of BFR Conservation Partners who benefit directly from the AAZK Bowling for Rhinos Program and links to their webpages, please visit www.aazk.org/BFR and select the Partner from the drop down menu.

To direct friends, family or other interested parties that wish to donate to AAZK’s Bowling for Rhinos please visit www.aazk.org/bowling-for-rhinos/bfr-donation/. Please remind the donor if they wish to direct their donation to your sanctioned BFR event they can do so by utilizing the pull down menu and selecting the AAZK Chapter name associated with the event.

Questions regarding the financial aspect of the AAZK’s Bowling for Rhinos Program, completing AAZK BFR required reports, IRS Forms or to obtain permission to accept donations of \$1,000.00 or above and reporting of a donation in the amount of \$5,000 or above, please contact:

Ed Hansen
AAZK CEO/CFO
Ed.Hansen@aazk.org

Questions regarding BFR event sanction, BFR event management, marketing and promotion, Chapter totals and general resources, please contact:

Kym Janke

AAZK BFR Program Manager

Kym.Janke@aazk.org

The BFR Team

BFR@aazk.org

or

Nicole Pepo

Board of Directors Oversight

Nicole.Pepo@aazk.org