

## **TAX-EXEMPT CONTRIBUTIONS TO APNA -- ADDITIONAL INFO AND PROCEDURES**

Federal and State laws on income and inheritance taxes encourage charitable giving.

### **APNA IS CLASSIFIED AS A PUBLIC CHARITY OR A PRIVATE FOUNDATION**

Based on the IRS determination, as per the IRS letter dated September 22, 2006 (see copy on [www.apnanet.org](http://www.apnanet.org)), APNA is exempt from Federal income tax under Sec. 501(c) (3) of the Internal Revenue Code. The code further classifies organizations such as APNA a public charity or private foundation.

The effective date of exemption is December 14, 2004. The advance ruling ending date (in other words, the initial trial period) is up to December 31, 2008.

### **Contributions to APNA are deductible under section 170 (b) (1) (A) (vi) of the Code.**

APNA is also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code.

APNA is not yet prepared to receive such bequests, transfers and gifts involving real estate, stocks, bonds or coins. However, APNA will consider any such offers of contribution on a case by case basis.

**APNA can also receive DONOR-ADVISED FUNDS. For more information, please contact APNA Treasurer Ashok Mathias, (CPA), at (516) 352-4857.**

### **FUNDRAISING**

According to the IRS, the contributions to APNA are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

### **CONTRIBUTIONS OF \$250 OR MORE -- REQUIRE WRITTEN SUBSTANTIATION**

Donors must have written substantiation from APNA for any charitable contributions of \$250 or more. APNA will provide an official receipt for contributions in order that the donor can fulfill his/her responsibility to obtain written substantiation (for purposes of tax-filing) from the charity.

### **CONTRIBUTIONS OF MORE THAN \$75; AND CHARITY PROVIDES GOODS AND SERVICES**

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. APNA is expected to provide written disclosure statement in advance of any event and determine the cost or fair market value of benefits to members for any tickets purchased for fundraising events and determine the amount of contribution that is deductible. In other words, the amount of contributions that is deductible is limited to the excess of any money contributed by the donor less the value of the goods and services provided by APNA.

### **MEMBERSHIP**

Currently, the annual membership fee is \$25.00, which is not tax deductible. However, any contributions made in addition to the membership fee will be fully tax deductible.

### **FURTHER QUESTIONS ON TAX EXEMPTION & CONTRIBUTIONS TO APNA:**

Please contact Ashok Mathias, (CPA), APNA Treasurer, at (516) 352-4857 on further questions on tax exemption and tax deductible contributions to APNA.