REPRESENTING AND MANAGING TAX-EXEMPT ORGANIZATIONS
CHARITABLE GIVING UPDATE
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RESTRICTED GIFTS AND QUID PRO QUO ARRANGEMENTS

• How Do Restrictions Arise?
  o Gift instruments
  o Organizational documents, solicitation materials
  o Charitable trust doctrine

• Standing to enforce donor restrictions
Reed Foundation v. Franklin D. Roosevelt Four Freedoms Park, LLC
Register v. The Nature Conservancy
Avery Fisher Hall
QUID PRO QUO RULES

• Basic rule: deduction permitted for FMV of donation less FMV of any goods or services received in return
• Proximity of quid pro quo to gift?
• $250 rule
• $75 rule
• Goods or services of insubstantial value
DONATIONS TO SINGLE MEMBER LLCs

• Federal Tax Considerations
  o Notice 2012-52
  o RERI Holdings I, LLC v. Commissioner

• State Tax Considerations
UPDATE ON NON-CASH CHARITABLE GIVING DEDUCTIONS

- Problems with Qualified Appraisals and Substantiation of Deductions
- IRS Tax Time Guide
- Application of Substance-over-Form Doctrine
  - CCA 201507018
UPDATE ON QUALIFIED APPRAISALS

- Penalty for Overvaluation = Reduction in Deduction
- Penalty for Defective Appraisal = Loss of Deduction in Entirety with Low Burden of Proof
- Manolito T. Legaspi v. Commissioner
- Thad Deshawn Smith v. Commissioner
UPDATE ON “CONTROL AND DISCRETION” FOR DEDUCTIBILITY OF GIFTS TO “AMERICAN FRIENDS OF” ORGANIZATION

• PLR 201511033 – Revocation of exemption for organization providing general operating support and acting as a conduit for foreign affiliate
  ○ Poor recordkeeping by Friends entity contributed to conclusion that it operated as a conduit