

## Fair Market Value

1. Definition
  - a. *The fair market value (benefits received) is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.*
2. Examples:
  - a. Wine Tasting
    - i. FMV cost of wine glass (\$5), wine (\$10) and appetizers (\$10)
    - ii. TOTAL: FMV cost of event (\$25)
    - iii. Ticket price (\$50)
    - iv. \$50 ticket price - \$25 FMV = \$25 tax-deductible donation
  - b. Tailgate
    - i. FMV cost of beer (\$5), meal (\$10) and game ticket (\$20)
    - ii. TOTAL: FMV cost of event (\$35)
    - iii. Ticket price (\$45)
    - iv. \$45 ticket price - \$35 FMV = \$10 tax-deductible donation
  - c. Golf Tournament
    - i. FMV cost of lunch (\$10), green fees and cart (\$80) and dinner (\$20)
    - ii. TOTAL: FMV cost of event (\$110)
    - iii. Ticket price (\$135)
    - iv. \$135 ticket price - \$110 FMV = \$25 tax-deductible donation
3. Opportunity Drawings/Raffles
  - a. Opportunity Drawings (Free) vs. Raffles (Paid)
  - b. 50/50 vs. 90/10
  - c. Must register and have approved before every event
  - d. Report must be filled out and approved after every event
  - e. Tickets purchased are not tax-deductible donations
4. FMV and Thank you letters
  - a. Please establish FMV of Chapter or Club events *before* they take place. The FSAA must have FMV established with the assistance of another entity on campus.
  - b. Requests for FMV should be made 6-8 weeks before the event takes place.
  - c. FSAA will send "thank you for your donation" letters, when applicable.
  - d. FSAA will track "donations" in official campus database, when applicable.