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 by 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 make 6-8 week before the event takes place.
   c. FSAA will send “thank you for you for your donation” letters, when applicable.
   d. FSAA will track “donations” in official campus database, when applicable.