

HOW CAN I DONATE A PROFESSIONAL SERVICE FEE FROM AN OUTSIDE ORGANIZATION TO THE HEALTH SCIENCES LIBRARIES?

If an outside organization offers you payment for professional services (e.g., for a speaking engagement or for serving on a board), and you want to donate your fee to the Health Sciences Libraries (thank you!), there are a few ways to accomplish this, with different income declaration, tax deduction and donor acknowledgment consequences.

SCENARIO A: ORGANIZATION WRITES THE CHECK TO THE UW, INSTEAD OF TO YOU

- 1. Do you have to declare the payment as income?** No.
- 2. Who is the acknowledged donor?**

The check-writing organization is the donor to whom UW Central Development will send the receipt. You can be listed as a "soft credit" donor, if you wish, for recognition purposes only (no tax credit possible)--you can request "soft credit" via a handwritten note on the *Letter of Intent* (see "What to do" below).

- 3. Is the payment tax deductible?**

Not for you, as the organization is the acknowledged donor. The organization must determine whether it can take the contribution as a tax deduction.

What to do:

Print out the *Letter of Intent for Professional Service Fee Donations (Service Rendered to an Outside Organization)* and follow the outlined steps, **checking paragraph A.**

SCENARIO B: ORGANIZATION WRITES CHECK TO YOU, AND YOU SIGN THIS SAME CHECK OVER TO THE UW

- 1. Do you have to declare the payment as income?**

Ask the organization and your accountant about declaring the amount as income (this varies with how the organization views/records the payment).

- 2. Who is the acknowledged donor?**

You are the donor to whom UW Central Development will send a receipt. The organization can be listed as a donor also, but it would be as a "soft credit" donor for recognition purposes only (no tax credit possible--see Scenario A).

- 3. Is the payment tax deductible?**

Not for the organization. Under certain circumstances this is considered a tax-deductible gift for you--check with your accountant.

What to do:

Print out the *Letter of Intent for Professional Service Fee Donations (Service Rendered to an Outside Organization)* and follow the outlined steps, **checking paragraph B.**

SCENARIO C: ORGANIZATION WRITES CHECK TO YOU, YOU CASH IT, THEN YOU WRITE A CHECK TO THE UW

Answers to questions 1-3 above are the same as in Scenario B. However, this scenario allows you to deduct the estimated amount of tax you will pay from your payment before donating the remainder, if you will be declaring the payment as income.

What to do:

Print out the *Letter of Intent for Professional Service Fee Donations (Service Rendered to an Outside Organization)* and follow the outlined steps, **checking paragraph C.**