



Galas & Tournaments & Festivals, Oh My!

Part II:

Road Races, Golf Tournaments & Other Sporting Activities

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August 21, 2019

Mission of Pro Bono Partnership of Atlanta:

To provide free legal assistance to community-based nonprofits that serve low-income or disadvantaged individuals. We match eligible organizations with volunteer lawyers from the leading corporations and law firms in Atlanta who can assist nonprofits with their business law matters.

Pro Bono Partnership of Atlanta Eligibility & Other Information

- In order to be a client of Pro Bono Partnership of Atlanta, an organization must:
 - ✓ Be a 501(c)(3) nonprofit.
 - ✓ Be located in or serve the greater Atlanta area.
 - ✓ Serve low-income or disadvantaged individuals.
 - ✓ Be unable to afford legal services.
- *Visit us on the web at www.pbpatl.org*
- We host free monthly webinars on legal topics for nonprofits
 - ✓ To view upcoming webinars or workshops, visit the [Workshops Page](#) on our website
 - ✓ Join our mailing list by emailing rla@pbpatl.org

Legal Information:

- ✓ This webinar presents general guidelines for Georgia nonprofit organizations and should not be construed as legal advice. Always consult an attorney to address your particular situation.
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Agenda

- Charitable Donations and Acknowledgments
- Tax
- Raffles & Door Prizes
- Fundraising Events

Charitable Donation & Acknowledgment

A donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.

For donations of \$250 or more, donor must have a written contemporaneous receipt from the charity acknowledging the contribution.

Tax

- Unrelated Business Taxable Income
- Georgia Sales Tax



Unrelated Business Taxable Income

Income derived from trade or business activities not substantially related to the tax-exempt organization's purposes is taxable as if earned by a comparable for-profit enterprise.

Unrelated Business Taxable Income

- The Test:
 - ✓ Trade or business
 - ✓ Regularly carried on; and
 - ✓ Not substantially related to mission
- Some Exceptions
 - ✓ Volunteers
 - ✓ Donated Property

Unrelated Business Taxable Income Qualified Sponsorship

- Corporate Sponsorship
 - ✓ **Acknowledgement of Sponsor** - name & logo but no statement endorsing products
 - ✓ **No other “substantial return benefit”** - all goods and services received from the charity by the sponsor must NOT exceed 2% of sponsorship payment for year

Georgia Sales Tax

- Sales tax varies by state
- Georgia – Most nonprofits are not exempt from collecting & remitting sales tax
- If the item is taxable and the purchaser is not exempt, you must collect and remit sales tax.
- Games or amusement activities are subject to sales tax.



Raffles and Door Prizes

➤ Gambling requires 3 elements:

- ✓ Consideration
- ✓ Chance
- ✓ Prize

➤ Raffles and Door Prizes

- ✓ Licenses
- ✓ No Charitable Deduction
- ✓ But what about tax?
 - UBTI
 - Sales Tax

Road Races & Walks

- Permits
- Volunteers
- Entrance Fees
- Sponsorships
- Releases
- Security and Contingency Plan



Road Races & Walks Permits & Volunteers

- Permits – Helpful to work with a professional race coordinator who handles police, permitting, and certifies the routes
- Volunteers – You cannot have too many!



Road Races & Walks

Entrance Fees and Sponsorships

- Entrance Fees
 - ✓ No charitable deduction for entrance fees
 - ✓ But what about tax?
 - UBTI
 - Sales Tax
- Sponsorship Payments

Road Races & Walks

Releases and Contingency Plan

- Every participant, and parents and guardians if applicable, should sign a complete release and waiver.
- Keep in mind that releases are not the same as insurance. Please make sure you are adequately insured for the fundraising event.
- Make sure you have an emergency plan and coordinate in advance with police and EMS.

Golf Tournaments

- Entry Fees
- Mulligan Package
- Sponsorships
- Releases
- Contingency Plan



Golf Tournaments

Entrance Fees & Mulligan Packages

➤ Entrance Fees

- ✓ No charitable deduction for entrance fees
- ✓ But what about tax?
 - UBTI
 - Sales Tax

➤ Sponsorship Payments

➤ How do I handle other payments like Mulligan Packages?

Golf Tournaments Releases & Contingency Plans

- Every participant, and parents and guardians if applicable, should sign a complete release and waiver.
- Keep in mind that releases are not the same as insurance.
- Make sure you have an emergency plan and take into consideration alcohol consumption.

Other Events – Sporting Clay Shoot, Bike Race, Softball Tournament

➤ Additional Considerations

- ✓ Releases – What other factors do you want to include in your release?
- ✓ Contingency Plans
- ✓ Insurance



Questions



For More Information:

If you would like more information about the services of Pro Bono Partnership of Atlanta, contact us at:

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