

Guidelines for NAP Tax Credit – GALA

Adopted by the Board of Education on July 23, 2009

GALA TABLE SPONSORS

For Individuals and Businesses:

Payment for a table sponsorship is tax-deductible in excess of the actual cost of the table (estimated to be \$1,500). Therefore, assuming a \$1,500 cost per table:

- **\$2500 Table Sponsors:** \$1000 is tax-deductible and qualifies for NAP.
Tax credit will be \$400 back to donor after paperwork completed.
- **\$5000 Table Sponsors:** \$3500 is tax-deductible and qualifies for NAP.
Tax credit will be \$1400 back to donor after paperwork completed.
- **\$10,000 Table Sponsors:** \$8500 is tax-deductible and qualifies for NAP.
Tax credit will be \$3400 back to donor after paperwork completed.

GALA AUCTION DONORS

Individuals may ONLY donate cash or marketable securities to qualify for NAP.

Donations must be consistent with the minimum (\$500) and maximum (\$125,000) amounts and other provisions set forth in Sec. 58.1-439.24 of the Code of Virginia.

Businesses may donate cash, merchandise, professional services, stock, and real estate to qualify for NAP*. Donations must be consistent with the minimum (\$1000) and maximum (\$437,500) amounts and other provisions set forth in Sec. 58.1-439.21 of the Code of Virginia.

GALA AUCTION WINNERS

Individuals may qualify for NAP if the price paid for the auction item exceeds the Fair Market Value* by \$500 or more.

Businesses may qualify for NAP if the price paid for the auction item exceeds the Fair Market Value* by \$1000 or more.

100% of fund-a-cause donations above \$500 qualify for NAP.

If Fair Market Value* exceeds the price paid for the auction item, then no NAP credit is eligible.

*The value of a donation from an organization or individual shall be such value as determined for federal income tax purposes using the laws and regulations of the United States related to federal income taxes according to IRS regulations.

The purpose of the Neighborhood Assistance Act tax credit program for education is to encourage businesses and individuals to contribute directly to neighborhood organizations whose primary function is providing neighborhood education assistance for impoverished people.