

# Restricted Gifts and Endowments: Documentation and Financial Statement Disclosure

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## Why?

- Donor relations
- “Court of Public Opinion”
- Media/Public relations
- Sophisticated donors asking for more
- Charities and development staff becoming more creative
- Legal implications



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# What can go wrong?

- Reputational risk
- Donor relations
- Change in culture or values over time
- Change in circumstances
- Conflicts of Interest
- Donor actions/reputation
- Donor default on payment
- Restrictions or requirements the charity cannot handle
- Lack of clarity around provisions
- State regulatory enforcement
- Private donor enforcement (or attempts)
- Charitable pledges

# Regulatory/Legal framework

- Federal/IRS
  - Completed gift
  - Charitable deduction
  - Quid pro quo rules
  - Conditional “get it back” restrictions
  - Impact on 501(c)(3) status
  - Private benefit
  - Private foundation rules (i.e. self-dealing)
- State
  - Donor intent
  - UPMIFA
  - Attorney General/Charities Bureau
  - Other issues
  - Private litigation

## Examples of Restrictions



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## Related Issues

- Donor privacy issues
  - Policy
  - Form 990, Schedule B
  - Employees
- Donor expectations



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## Title search: Restricted Gifts and Endowments: Documentation and Financial Statement Disclosure

Also available as part of the eCourse

[Fundraising and Restricted Gifts for Nonprofit Organizations](#)

First appeared as part of the conference materials for the  
36<sup>th</sup> Annual Nonprofit Organizations Institute session

"Restricted Gifts and Endowments: Documentation and Financial Statement Disclosure"