



**KIDZ COME FIRST**

**CHAPTER AGENCY AGREEMENT  
SUBSTANTIATION INFORMATION**

In this packet you will find information about how your chapter can receive contributions and issue receipts to donors.

Zete Kids U.S.A. is Zeta Psi's philanthropic organization founded for purpose of supporting the welfare of children. ZeteKidz is a 501(c)(3) organization that is permitted to issue receipts for donations made to the organization, so that the donor may deduct that amount from his taxable income. Zeta Psi chapters are permitted to act on behalf (act as an agent) of ZeteKidz provided that the chapter follow the guidelines detailed in this document.

In order to establish the relationship between your chapter and Zete Kids it will be necessary to enter into a formal agreement. This agency agreement is a simple document that must be executed by a representative of your chapter and a representative of Zete Kids.

Chapters are permitted to:

1. Collect funds on behalf of Zete Kids
2. Issue substantiation receipts (tax deductible)

Chapters are NOT permitted to:

1. Enter into contracts binding Zete Kids
2. Make any representation on behalf of Zete Kids without prior approval

A donor may give a gift to your ZeteKidz fundraiser one of two ways. The simplest way is to give an outright gift while receiving absolutely no goods or services in exchange for that gift. This means that the individual is not playing golf or receiving any other benefit from the gift. In this case you should use Sample Form 1 when issuing a receipt.

When a donor does receive goods and/or services, the person issuing the receipt must deduct the market value of those goods and/or services from the tax-deductible receipt. For example, if the fair market value costs \$60 to play golf and the donor pays \$100 to enter, then the donor is entitled to receive a receipt for a \$40 donation. Also if the fair market value is \$60 to play golf and \$30 meal is provided, then a receipt for \$10 should be issued. In these cases you should use Sample Form 2 when issuing a receipt.

**ZETE KIDS U.S.A.**  
**CHAPTER AGENCY AGREEMENT**

This AGREEMENT dated as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between ZeteKidz, U.S.A., a New York corporation, having an address of 15 S. Henry Street, Pearl River, NY 10965 (the "Principal"), and the \_\_\_\_\_ Chapter of Zeta Psi Fraternity, having an address of \_\_\_\_\_ (hereinafter called "Agent").

**Agency Relationship.** For the term (as defined below), the Principal is appointing the agent for the exclusive purpose of receiving contributions on its behalf. The agent is responsible for providing substantiation receipts and all ZeteKidz guidelines pursuant to the issuance of said receipt(s). This agreement does not constitute either party a legal representative, joint venturer, partner or employee of the other for any purpose whatsoever except as detailed in this agreement and neither party is in any way authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, on behalf of the other party hereto. This agreement shall be governed by and construed in accordance with the laws of the State of New York.

**Term and Termination.** This agreement shall be effective as of the date first written above and shall continue for one year.

**Limited Liability.** The Principal does not provide insurance or any other coverage for the Agent's actions or negligence in the performance of this agency agreement. Agent is solely responsible for agent's action and or negligence.

IN WITNESS WHEREOF, the parties represent their Agreement as of the date first noted above.

**PRINCIPAL**

**AGENT**

**Zete Kids U.S.A.**

\_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## Determining if a Donation is Tax Deductible

As you hold fund raising events such as car washes, raffles, and golf tournaments you may be asked by those donating to your cause if their contributions are tax-deductible. If you are going to promote tax deductibility during your fund-raisers, it is your responsibility to inform contributors of the following information. You must state clearly exactly how much of a contribution will be considered deductible on any printed materials you produce (tickets, flyers, etc.) Also, you should always have a receipt book at any fundraising event.

\*A contributor cannot receive in return any item, service (car wash, lawn mowing, etc.), or privilege (admittance to theater, concert, golf course) which has a fair market value that is equals or exceeds the amount or value of the donation, the individual's gift will not be eligible for deductible treatment.

**Example 1:** You are sponsoring a free car wash on behalf of ZeteKidz. You are not charging any type of fee per wash, but you are accepting donations from patrons. The donations range anywhere from \$1 - \$20. One patron asks you if his \$15 donation is tax deductible. How do you answer?

The fair market value of a car wash is around \$5. Any donation received that is \$5 or less is not deductible, but any donation greater than \$5 will be partly deductible (the donation amount minus the fair market value), so your patron has made a \$10 tax deductible gift to ZeteKidz. (Use Sample Form 2)

**Example 2:** You are sponsoring a raffle to raise funds for ZeteKidz. Each ticket sells for \$2 for a chance to win a \$500 stereo system. A buyer asks if her \$2 is tax deductible. How do you answer?

Even though the payment is a contribution to ZeteKidz no part of the payment is deductible as a charitable contribution. Amounts paid for chances to participate in raffles, lotteries, or similar drawings are not gifts and therefore not deductible.

**Example 3:** You solicit a local business for a contribution. You impress a local business owner and he contributes \$50 to ZeteKidz on your behalf. He asks if his contribution is tax deductible. How do you answer?

The full \$50 is deductible. (Use Sample Form 1)

**Example 4:** Your chapter holds a toll road for ZeteKidz. You approach a car and the driver places \$10 in your bucket. He asks if he can have a receipt for his donation? How do you answer?

Write out a receipt and tell her that the full \$10 is deductible since he did not receive any good or service in return for his donation. (Use Sample Form 1)



15 South Henry Street  
Pearl River, NY 10965  
800-477-1847  
<http://kids.zetapsi.org>

**SAMPLE FORM 1 – NO GOODS OR SERVICES RECEIVED BY DONOR**

**DATE:** \_\_\_\_\_

**RECEIPT #** \_\_\_\_\_

This receipt is to certify that \_\_\_\_\_ made a charitable contribution to  
(Name of donor)

ZeteKidz in the amount of \$\_\_\_\_\_.  
(Amount)

This donation was received by \_\_\_\_\_ from the \_\_\_\_\_  
(Your name) (Chapter)

Chapter of Zeta Psi, an authorized agent of ZeteKidz.

\_\_\_\_\_  
(Authorized Agent of ZeteKidz Signature)

The donor did not receive any goods or services in exchange for the above donation, and 100% of the donation is tax exempt.

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**DATE:** \_\_\_\_\_

**RECEIPT #:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**AMOUNT OF DONATION:** \_\_\_\_\_

**RECEIVED BY:** \_\_\_\_\_



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**SAMPLE FORM 2 – GOODS AND/OR SERVICES RECEIVED BY DONOR**

**DATE:** \_\_\_\_\_

**RECEIPT #** \_\_\_\_\_

This receipt is to certify that \_\_\_\_\_ made a charitable contribution to  
**(Name of donor)**

ZeteKidz in the amount of \$ \_\_\_\_\_. In return for your donation you have received the  
following, which we estimated to have a fair market value of \$ \_\_\_\_\_,  
\_\_\_\_\_.

**(List of goods and/or services provided)**

This donation was received by \_\_\_\_\_ from the \_\_\_\_\_  
**(Your name)** **(Chapter)**

Chapter of Zeta Psi, an authorized agent of ZeteKidz.

\_\_\_\_\_  
**(Authorized Agent of ZeteKidz Signature)**

You must reduce the amount of your charitable deduction by the value of the goods and/or services.

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**DATE:** \_\_\_\_\_

**RECEIPT #:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**AMOUNT OF DONATION:** \_\_\_\_\_

**RECEIVED BY:** \_\_\_\_\_