



# INSTRUCTIONS FOR CONTRIBUTION NOTIFICATION FORM A (CNF-A)

Use for all business donations of cash, stock, merchandise, real estate, or rent/lease of the NAP organization's facility

## Instructions

### PART I PLEASE PRINT LEGIBLY.

Item 1: Enter the Tax ID number of the business. Use the social security number for a sole proprietor.

Items 2-5: Enter the legal name of the business firm which made the donation, name of contact person at the business, mailing address of the business and telephone number.

Item 6: Enter one type from the following list which best describes the business:

1-Insurance	2-Bank	3-Law Firm	4-Physician/Dentist	5-Construction	6-Grocery Store	7-Utility
8-Accountant	9-Clinicians	10-Furniture Sales	11-Hardware Store	12-Designer/Artist	13-Rental Property	14-Clothing/Fabric
15-Machinery/Equipment	16-Architect	17-Farmer	18-Car Dealer	19-Truck Hauler	20-Pharmacy	21-Other

Item 7: Enter the business structure. All pass-through business entities must complete Form PTE Virginia Pass-Through Credit Allocation (after receipt of tax credit certificate) and send the completed form to the Virginia Department of Taxation.

Item 8: Check (√) one donation type. Each donation type requires a separate CNF and must meet the minimum \$616 donation value.

Item 9: Enter the actual date or dates (first and last) over which donation was given. These dates must be within the same program approval year. **For merchandise sold, auctioned or raffled, the date the proceeds are received is the date of donation.**

Item 10-11: Enter the value of the donation minus any goods or services received.

The reported value of the donation must be net of any goods or services received. If the organization provided the donor any goods or services in return for the amount received, the Fair Market Value (FMV) of the goods or services provided to the donor, including any items purchased through an auction, must be deducted from the total amount received by the organization. Example: A donor purchases an item, with a FMV of \$3,000, during a silent auction event for \$3,600. The value of the donation that is eligible for tax credits is \$600. The organization must attach documentation that shows the FMV of the item, amount of proceeds received, and the date the auction item was sold and the proceeds were received.

For a monetary donation, stock, merchandise (including inventory), and real estate **to be used by the approved organization**, the value of the donation is determined using IRS standards. The amount listed should normally be the same as used for federal tax purposes. (See IRS Publication 561 for additional information on determining value of donations).

#### Exceptions to IRS standards

The value of merchandise donated to be **sold, auctioned or raffled** is the lesser of the actual book cost of the item **OR** the proceeds received by the approved organization. The value for a donated vehicle per the Code of Virginia is the actual business cost. Refer to the Donor Fact Sheet for more information.

For Rent/Lease of Organization's Facility: The value assigned for donated rent or lease of property cannot exceed the prevailing square footage rental charge for comparable property and must be agreed to by the donor and the NAP organization prior to the lease being signed. The NAP organization is responsible for obtaining documentation verifying reasonable costs for comparable property.

Item 12: Enter the percent of tax credit offered: A donor must agree, in writing, to accept tax credits for less than 65 percent of the value of the donation. The donor must complete a Tax Credit Percentage Agreement form if accepting tax credits for less than 65 percent of the value of the donation. *The written agreement must be submitted to the Virginia Department of Social Services.*

**PART II** Sign and date the certification(s). Return the CNF with supporting documentation to the NAP organization.

#### General:

- Donations must be made **directly** to the approved NAP organization with no strings attached and without any conditions or expectation of monetary or other benefits from the NAP organization.
- Discounted property (partial donations) or bargain sales are not allowable for NAP donations.
- Determining the effect of making a donation for tax credits on a donor's tax liability is the sole responsibility of the donor. Before making a donation, or when tax-related questions occur, donors are encouraged to seek advice from their tax accountant or other tax advisor.
- The NAP organization must attach copies of supporting documentation (see Reference Sheet) for all donations. Retain copies of all donor documentation in your files. Failure to do so may result in a donor's loss of the tax credit.

- For more information contact the NAP office at [nap@dss.virginia.gov](mailto:nap@dss.virginia.gov)