

## 2017 Year-End Tax Information

As you prepare your 2017 tax return, you should consider the IRS guidelines set forth below. If you are entitled to receive a benefit as a result of making a contribution to a qualified organization, you can deduct only the amount of your contribution that is more than the value of the benefit(s) you are entitled to receive.

Cougar Club reminds all Members that NEW tax laws applicable beginning in 2018 were recently enacted and that the information in this statement pertains ONLY to 2017. We encourages all Cougar Club Members to consult with their tax advisors regarding how prior and current regulations apply to you.

### Cougar Club Tax Disclosure Statement

If your contribution to the Cougar Club exceeds \$75 and entitles you to receive benefits in return, IRS regulations require the Cougar Club to provide you with the following written disclosure statement:

The amount of your contribution that is deductible for federal income tax purposes is limited to the excess of money (or the fair market value of contributions other than money) you contribute to the Cougar Club over and above the value of goods or services made available to you by the Cougar Club in connection with your contribution. In exchange for your contribution, you may have received, or been entitled to receive, one or more of the following benefits, which have the following estimated fair market values:

- BYU Football/Basketball Poster (one time only; new Bronze members), \$5
- Nike Hat (one time only; new Silver members), \$10
- Embroidered Attaché Bag (one time only; new Golden members), \$19
- BYU Blanket (one time only; new Platinum members), \$12
- Bronze "Turning Point" Cougar Statue (one time only; new Legacy members), \$375
- Game-worn BYU Football Helmet (one time only; new Legacy members), \$250
- Legacy Watch (one time only; new Legacy members only), \$285
- Press Almanacs for Football and Basketball, \$8 each
- Free Club Luncheons, \$5 per person, per luncheon (6 luncheons in 2016)
- Hall of Fame Banquet (Silver level and above), \$40 per meal
- Coaches' Circle Jacket (one time only; new Coaches' Circle donors), \$85
- Coaches' Circle Dinner (Coaches' Circle members only), \$30 per meal
- Annual Scholarship Dinner (Scholarship sponsors only), \$20 per meal

In computing your deduction for charitable contributions to the Cougar Club, you should subtract the value of any benefits you received, or had the right to receive, according to the benefits schedule set forth above, from the total amount you contributed. In addition, the IRS has provided the following statement and examples with regard to the right to buy tickets to athletic events:

"Athletic events. If you make a payment to, or for the benefit of, a college or university and, as a result, you receive the right to buy tickets to an athletic event in the athletic stadium of the college or university, you can deduct 80% of the payment as a charitable contribution.

"If any part of your payment is for tickets (rather than the right to buy tickets), that part is not deductible. In that case, subtract the price of the tickets from your payment. 80% of the remaining amount is a charitable contribution.

"Example 1. You pay \$300 a year for membership in an athletic scholarship program maintained by a university (a qualified organization). The only benefit of membership is that you have the right to buy one season ticket for a seat in a designated area of the stadium at the university's home football games. You can deduct \$240 (80% of \$300) as a charitable contribution.

"Example 2. The facts are the same as in Example 1 except that your \$300 payment included the purchase of one season ticket for the stated ticket price of \$120. You must subtract the usual price of a ticket (\$120) from your \$300 payment. The result is \$180. Your deductible charitable contribution is \$144 (80% of \$180)." (Taken from IRS Publication 526 Charitable Contributions—revised November 2013—page 3).

As you know, Cougar Club members must make a contribution to BYU Athletics in order to be eligible to purchase tickets in the club's priority seating areas of LaVell Edwards Stadium and the Marriott Center. Based on the IRS guideline quoted above, the Cougar Club advises you that only 80% of the portion of your contribution which entitles you to purchase priority seating is tax-deductible (subject to any other applicable limitations). In 2017, a contribution of \$60 entitled a donor to purchase seating in most priority seating areas in LaVell Edwards Stadium and the Marriott Center. Donors who purchased East Legacy Chair (section 34) seats for football, who purchased Courtside or Vivint Club basketball seats, or who licensed a football loge will receive a separate letter with additional information.

BYU Athletics welcomes the opportunity to work with private foundations and donor advised funds. However, federal law may impose significant penalties on donors and charities for charitable distributions from a private foundation or a donor advised fund if a benefit is available to an individual in exchange for this type of gift. A donor may still support BYU Athletics through a private foundation or donor advised fund gift if the donor expressly declines all benefits that would otherwise be provided as a result of the gift. Please contact the LDS Philanthropies Planned Giving Office (877-650-5377) for additional information or assistance regarding gifts to BYU Athletics from a private foundation or DAF. You should also be aware that Club benefits for qualified distributions directly from IRAs may disqualify the distributions from preferred tax treatment. Consult your tax advisor(s) for specific information about the tax implications of Cougar Club benefits. For additional information please visit [www.cougarclub.com](http://www.cougarclub.com) or contact the Cougar Club Office at 801-422-2583.

**All Club Members are encouraged to consult with their tax advisors.**