Capital Forge League, Inc.

Online Charity Auction

Program Design, Compliance Framework, and Launch Plan

A complete operating plan for a sports memorabilia benefit auction supporting athlete safety research — covering registration and disclosure requirements, platform selection, item sourcing, a ready-to-send solicitation letter, listing templates with required tax language, and a launch checklist.

Prepared for: Mark Jones, Founder & Chief Executive Officer

Date: August 7, 2026

Classification: Capital Forge League, Inc. only. Contains no Sprowtt, Inc. or StateCF.com matter.

NOTICE Advisory only. Not legal, tax, or accounting advice. Charitable solicitation registration, tax disclosure, and sales tax requirements vary by state and change. Every compliance item in this document requires review by the Corporation's Managing Attorney and CPA before launch. Platform pricing is current as of the research date and requires direct verification.

1. Executive Summary and Honest Assessment

A charity auction is ordinary, legal, well-understood nonprofit fundraising, and sports memorabilia is squarely on mission for an organisation serving athletes. Framing proceeds toward athlete safety research gives donors a concrete cause rather than general operating support, which converts materially better. It is also one of the few revenue paths available to CFL that can produce money inside ninety days.

1.1 The constraint is the audience, not the auction

THE REAL PROBLEM An auction monetises an audience that already exists. It does not create one. CFL currently has limited public presence, no assembled donor list, and no prior fundraising event. A well-run auction with excellent items and no bidders raises nothing. Every element of this plan should therefore be judged against one question: does it put more qualified bidders in front of the items?

This is solvable, but it changes the sequence. Audience building precedes item solicitation, and the first auction should be sized to the audience CFL can realistically assemble rather than to the items it might obtain.

1.2 Realistic expectations for a first auction

Metric	Realistic first-auction range	Note
Items	20–40	Fewer, better items outperform a long thin catalogue
Registered bidders	75–300	This is the binding constraint and the thing to work on first
Average item realisation	50–80% of fair market value	First auctions underperform FMV; competition is thin
Gross	$3,000–$12,000	Wide range because it tracks bidder count, not item quality
Net after platform and processing	Approximately 85–95% of gross	Depends heavily on platform selection
Founder hours	60–100	Item solicitation is the bulk of it

A first auction is as much a list-building exercise as a revenue event. Every registered bidder becomes a known supporter with an email address, which is worth more over time than the auction proceeds themselves.

2. Compliance Framework

Five requirements govern this activity. None is difficult, all are easier to build in at the start than to retrofit, and every one requires counsel or CPA confirmation.

2.1 Charitable solicitation registration

- **Florida.** Registration with the Department of Agriculture and Consumer Services is required before soliciting. An online auction is soliciting.
- **Other states.** Most states require registration to solicit their residents, and an open online auction solicits everywhere a bidder sits. Multi-state registration is a real administrative and financial cost.
- **Practical first-auction answer.** Register in Florida and consider restricting bidding to Florida residents for the first event. This materially reduces exposure while the programme is proven. Confirm the approach with counsel.
- **Pending exemption note.** Solicitation may proceed while the Form 1023 is pending, with appropriate disclosure that the application is pending and that deductibility depends on approval.

2.2 Quid pro quo disclosure — the item most often missed

> **STATUTORY REQUIREMENT** Under Internal Revenue Code § 6115, where a donor pays more than $75 and receives goods or services in return, the organisation must provide a written statement identifying the amount deductible — which is only the excess over the fair market value of what the donor received. An auction purchase is a quid pro quo contribution. This obligation is not optional and carries penalties.

The practical consequence drives the entire listing design:

1. A good-faith fair market value estimate must be published for every item before bidding opens.
2. Every winning bidder receives a written statement showing the amount paid, the stated FMV, and the deductible excess.
3. A jersey with a $400 stated FMV that sells for $700 yields a $300 deductible contribution, and the receipt must say so.
4. Items sold at or below FMV produce no deductible contribution, and the receipt should say that too.

Build the FMV field into the listing template from the first item. Retrofitting values after bidding has opened is impractical and undermines the estimates.

2.3 Restricted funds

If the auction states that proceeds support helmet safety or athlete injury prevention research, the proceeds are restricted to that purpose. This is desirable — a specific ask converts better than a general one — but it creates an obligation.

- Track auction proceeds in a separate fund or class from general operating revenue.
- Expend them only on the stated purpose.
- Report on their use to donors, which also builds the list for the next event.
- Confirm the accounting treatment with the CPA before launch.

2.4 Authenticity — the largest reputational exposure

Sports memorabilia forgery is widespread and sophisticated. Selling a forged item, even unknowingly, causes damage far exceeding the value of the item, and a first auction establishes the organisation’s reputation.

- **Accept only certified or documented items.** Third-party authentication from a recognised authenticator, or documented provenance direct from the athlete, team, or manufacturer.
- **Direct-from-source is strongest.** An item donated by the team or the athlete carries its own provenance and avoids the secondary market entirely.
- **Publish the authentication basis** in every listing. Bidders pay more when provenance is stated.
- **Decline anything uncertain.** The item is never worth the risk.

2.5 Terminology and tax

- **Do not call it a raffle.** Raffles are regulated as gambling under Florida law with entirely separate requirements. An auction is an auction. Avoid raffle mechanics, drawings, and chance-based elements.
- **Sales tax.** Florida sales tax may apply to auction sales. Confirm with the CPA before launch, not after.
- **Donor deductions above $5,000.** Items donated at a claimed value above $5,000 require a qualified appraisal and Form 8283 from the donor. If CFL sells such an item within three years, CFL files Form 8282.
- **Donor basis limitation.** A donor's deduction for donated tangible personal property is frequently limited to their cost basis rather than fair market value. This surprises donors. Direct every donor to their own tax advisor and do not advise them.

3. Platform Selection

Pricing models fall into four categories: annual subscription plus transaction fees; per-event flat fee plus transaction fees; free with higher transaction fees or donor tips; and flat subscription with no take rate. The right model depends entirely on expected gross.

Platform	Cost model	Reported pricing	Fit for CFL
BetterWorld	Free; revenue from optional donor tips	Zero platform fee. Processing approximately 1.5–2.9% + $0.30	STRONG for a first auction. Note that bidders are prompted to tip the platform, which some find off-putting; the prompt can reportedly be disabled.
Auctria	Free tier, then tiered subscription	Free tier limited to events raising $10,000 or less per year. Diamond tier $750/year, 0.25% fee	STRONG. Free tier fits a first auction; clear upgrade path. Stripe or Authorize.Net processing.
Charity Auctions Today	Free plan with higher platform fee	5% platform fee plus 2.9% + $0.30 processing	Workable. Higher take rate but no upfront cost.
Givebutter	No platform fee when donors tip	Processing 2.9% + $0.30	Workable. Broad fundraising toolset beyond auctions.
Handbid	Per-event flat fee	From approximately $1,396–$1,999 for nonprofits, plus 3.5% + $0.30	NOT YET. Strong mobile bidding, but the fee exceeds likely net on a first auction.
GiveSmart	Annual subscription	Reported from approximately $2,395/year	NOT YET. Built for established gala programmes.
OneCause	Annual subscription	Subscription plus 2.9–3.5% transactions	NOT YET.

RECOMMENDATION Recommendation: run the first auction on Auctria's free tier or BetterWorld. Neither requires capital outlay, both handle silent online bidding, and the decision can be revisited once there is evidence of what CFL can actually raise. Paying $1,400 to $2,400 for platform software before knowing whether the bidder list exists is the wrong order of operations.

Whichever is selected, verify before committing: that the platform supports a per-item fair market value field displayed to bidders, that it generates receipts showing the deductible amount, and the total cost model including platform fee, transaction fee, and any per-event charge.

4. Item Sourcing

Item sourcing is where the founder's existing network is worth more than any purchased list. CFL has unusual access here and should use it deliberately rather than cold-approaching teams.

4.1 Sources in order of likely yield

Source	What to ask for	Why it works
Board and advisor network	Introductions to teams, athletes, and equipment manufacturers	A director serving as team physician to a Major League club is a direct line into an organisation's community relations office
Team community relations offices	Signed items, experience packages, ticket packages	Most professional clubs maintain a formal donation request process for charities; apply through it rather than around it
Local Tampa clubs	Buccaneers, Lightning, Rays — signed items or experiences	Home-market charities are prioritised; CFL is Tampa-based
Athletes directly	Signed equipment; a personal item with a story	Athletes with veteran or safety connections are the natural ask given CFL's mission
Equipment manufacturers	Product, gear packages	Helmet and equipment makers have an interest in athlete safety programming
Universities and athletic departments	Game-used items, experience packages	Ties directly to the internship and capstone relationships being built
Local businesses	Experiences, services, gift packages	Easiest yes; fills out a catalogue; builds local relationships

4.2 What sells and what does not

- **Experiences outperform objects.** Behind-the-scenes access, a training session, a stadium tour, a meeting with an athlete. They cost the donor little, have no authentication risk, and bid up hard.
- **Story beats signature.** An item with a documented connection to a person or moment outperforms a generic signed item of higher nominal value.
- **Mission-aligned items bid higher** in a mission-driven auction. Veteran and athlete connections belong in the listing copy.
- **Avoid low-value filler.** A catalogue of items realising under $50 consumes the same administrative effort as valuable ones and dilutes attention.
- **Avoid uncertain provenance** regardless of apparent value.

5. Item Solicitation Letter — Ready to Send

Send by email with the subject line: Donation request — [Organisation] athlete safety benefit auction. Complete the bracketed fields.

Dear [Name],

I am writing to ask whether [organisation] would consider donating an item to a benefit auction supporting athlete safety research.

Capital Forge League is a Tampa-based nonprofit that unites military veterans and college student-athletes through entrepreneurship and financial literacy programming. We also hold a filed patent on a method for detecting invisible structural damage in protective helmets — the kind of internal degradation that visual inspection cannot find. Proceeds from this auction support that research.

The problem is straightforward. The industry currently retires helmets by calendar age rather than by measured condition, because no practical way exists to measure the condition of an individual helmet. Reconditioners drop-test a random sample; the specific helmet a player actually wears is never tested. We are working to change that.

What we are asking for: any item you feel is appropriate — signed memorabilia, game-used equipment, an experience package, or tickets. Experiences often generate the most enthusiasm from bidders, and cost the donor least.

What we provide: a written acknowledgment for your records, recognition in the auction listing and in our post-event reporting, and a summary of what the proceeds funded.

Practical details. The auction runs online from [dates] at [platform]. We handle listing, photography, fulfilment, and shipping. We ask only that items with authentication certificates include them, as we publish provenance for every lot.

Capital Forge League is a Florida nonprofit corporation. [Insert current tax status language — see note below.] I am glad to provide any documentation your process requires.

If there is a formal donation request process I should follow instead, please point me to it and I will submit through the proper channel.

Thank you for considering this.

Mark Jones — Founder & Chief Executive Officer — Capital Forge League, Inc. — 813-436-6988 — mjones@capitalforgeleague.com

> **GET THIS RIGHT** Tax status language must be accurate and depends on whether the determination letter has arrived. Before the letter: state that CFL is a Florida nonprofit corporation with an application for recognition of exemption under Section 501(c)(3) pending before the IRS, and that deductibility depends on approval. After the letter: state the exempt status and provide the EIN and a copy of the letter. Have counsel approve the exact wording once.

6. Listing Template

Every listing carries the same structure. The fair market value line is a compliance requirement, not a design choice.

6.1 Required fields

Field	Content	Required?
Lot number	Sequential	Yes
Item title	Short and specific	Yes
Description	What it is, its story, its condition	Yes
Provenance / authentication	Certificate issuer and number, or documented source	Yes where applicable
Fair market value	Good-faith estimate, stated in dollars	YES — statutory
Opening bid	Typically 30–50% of FMV	Yes
Bid increment	Typically 5–10% of FMV	Yes
Donor credit	Donated by [name], with permission	Preferred
Fulfilment	Shipping or pickup, and who pays	Yes
Photographs	Three or more, including any certificate	Yes

6.2 Standard listing footer — use on every lot

FOOTER TEXT Fair market value of this item is estimated at $[amount]. Under IRS rules, only the amount you pay in excess of fair market value may be deductible as a charitable contribution. Winning bidders receive a written acknowledgment stating the amount paid, the stated fair market value, and the deductible portion. Please consult your own tax advisor regarding deductibility. [Insert current tax status language.]

6.3 Winning bidder acknowledgment — required elements

- Name and address of Capital Forge League, Inc., and EIN
- Date of the transaction and lot description
- Total amount paid
- Stated good-faith fair market value of the item received
- The deductible amount, being the excess of payment over fair market value
- A statement that no other goods or services were provided
- Current tax status language

Confirm that the selected platform generates this automatically. If it does not, the acknowledgments must be issued manually and that work must be planned for.

7. Building the Bidder List

This is the work that determines the outcome, and it should begin before item solicitation.

1. Start with the founder's personal and professional network. Direct, individual asks convert far better than broadcast.
2. Board and advisor networks. Each director should be asked to invite a defined number of people.
3. Veteran organisations — Student Veterans of America chapters, local posts, and veteran service organisations aligned with the mission.
4. University partners already being approached for internships and capstone projects.
5. Local Tampa business community, particularly any prospective sponsors.
6. Social channels, though these will underperform direct asks at this stage.
7. Every item donor is also a bidder source — ask each donor to share the auction with their own network.

THE GOVERNING METRIC Set a bidder registration target before setting an item target, and track registrations weekly in the run-up. If registrations are far below target two weeks out, postpone rather than proceed. An under-attended auction damages relationships with item donors who will not donate again.

8. Launch Checklist

8.1 Before any solicitation

- Florida charitable solicitation registration confirmed with FDACS
- Counsel review of tax status language, FMV disclosure text, and geographic scope of bidding
- CPA confirmation on sales tax treatment and restricted fund accounting
- Platform selected and total cost model confirmed in writing
- Fair market value field confirmed to display to bidders
- Receipt generation confirmed to include the deductible amount
- Separate fund or class established for restricted proceeds
- Bidder registration target set

8.2 Six to eight weeks out

- Item solicitation begins — board network first, then teams and businesses
- Bidder list building begins in parallel
- Item log established: donor, description, FMV, authentication, photographs, status
- Photography standard set — consistent background and lighting across all lots

8.3 Two to three weeks out

- All items received, photographed, and listed
- FMV estimates set and documented — record the basis for each
- Opening bids and increments set
- Test the full bidder path end to end: register, bid, win, pay, receive receipt
- Confirm the receipt states the deductible amount correctly
- Registration count reviewed against target — decision point on proceeding

8.4 Launch and close

- Announcement to the assembled list, followed by scheduled reminders
- Mid-auction update highlighting lots with no bids
- Closing-day reminders — the majority of bidding activity occurs in the final hours
- Staggered lot closing times to sustain attention

8.5 After close

- Invoices and payment collection
- Written acknowledgments to every winning bidder with the deductible amount stated
- Fulfilment — shipping or pickup, tracked
- Written acknowledgment to every item donor
- Report to donors and bidders on what was raised and what it funds
- Retain the bidder list — this is the durable asset
- Post-event review: gross, net, cost per dollar raised, and registration conversion

9. Open Items

#	Item	Owner	Before
1	Confirm FDACS registration status and requirements	Founder	Any solicitation
2	Approve tax status language for pre- and post-determination periods	Counsel	Any solicitation
3	Advise on geographic restriction of bidding pending multi-state analysis	Counsel	Platform configuration
4	Confirm sales tax treatment of auction sales	CPA	Launch
5	Establish restricted fund accounting for auction proceeds	CPA	First receipt
6	Approve the § 6115 disclosure language and receipt format	Counsel	Listing publication
7	Board authorisation for the auction as a fundraising activity	Board	Launch
8	Confirm platform receipt generation meets § 6115 requirements	Founder	Launch

END OF PROGRAMME PLAN

Prepared August 7, 2026 — Capital Forge League, Inc. — Advisory only; requires human review and approval. Not legal, tax, or accounting advice. Platform pricing current as of the research date and requires direct verification. Contains no Sprowtt, Inc. or StateCF.com matter.