

Charitable Donation Rules

The IRS imposes recordkeeping and substantiation rules on donors of charitable contributions. The IRS will disallow contributions that do not follow these rules.

For monetary donations of less than \$250:

No deduction is allowed unless the taxpayer has either bank records (canceled check or account statement) or written acknowledgment from the charity documenting the contribution's amount and date. *If cash was given, the donor will need to get a written acknowledgement from the charity to claim a deduction.*

For monetary donations of \$250 or more:

Donations of \$250 or more in any one day to any one organization must have written acknowledgment from the organization. The acknowledgment must be received by the earlier of the date the tax return is filed for the contribution year or the extended due date for filing. It must state whether the charitable organization provided any goods or services in exchange for the contribution (and if yes, an estimate of the fair market value of the goods or services provided). Payroll deduction contributions of \$250 or more can be substantiated with a Form W-2 or other document from the employer showing payroll deduction and a pledge card or other document prepared by the charity.

Noncash Donations less than \$250:

Require a receipt and written records that include the following:

- Name of the charitable organization
- Date and location of the contribution
- Reasonable detailed description of contributed property (a picture always helps)
- Fair market value and method of valuing property

Noncash Donations of \$250 to \$5000:

Written records are required that include the same information as for noncash donations of less than \$250. Records should also indicate how and when the taxpayer got the property and the property's cost or basis. In addition, donations of \$250 or more in any one day to any one organization must have a written acknowledgment from the organization. The acknowledgment must be received by the earlier of the date the tax return is filed for the contribution year or the extended due date for filing. It must state whether the charitable organization provided any goods or services in exchange for the contribution (and if yes, an estimate of the fair market value of the goods or services provided).

Noncash Donations of over \$5,000

Written records and an acknowledgment from the organization are required that include the same information as for noncash donations of \$250 to \$5,000. In addition, a qualified written appraisal is required.

If you plan to give more than \$5,000 in a non-cash donation, we recommend that you discuss further requirements with us first.

Certain contributed items

Certain items have specific rules. If you plan to give any of the following, we recommend that you discuss the requirements with us first:

- Artwork
- Autos, boats, or airplanes
- Non-publicly traded stock

Check on the status of charitable organizations:

The following website can be used to check if an organization is eligible to receive tax-deductible charitable contributions:

<https://www.irs.gov/charities-non-profits/exempt-organizations-select-check>

Nondeductible Contributions

- Cost of raffle, bingo, or lottery tickets
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders or similar groups
- Tuition (secular or religious)
- Value of blood
- Value of time or services given
- Rental value of a right to use property donated to charity such as the right to stay at a vacation home for one week. The entire ownership interest in the property must be donated to charity to make the contribution deductible
- Charitable distributions from IRAs
- Money or property given to:
 - Civic leagues, social and sports clubs, labor unions and chambers of commerce
 - Foreign organizations (other than certain Canadian, Mexican, and Israeli charities)
 - Groups that are run for personal profit
 - Groups whose purpose is to lobby for law changes
 - Homeowners' associations
 - Individuals
 - Political groups or candidates
 - Most GoFundMe donations
 - Most Kickstarter campaigns