

Holiday Charity Donation Tips

Article Highlights:

- Long-Form Itemization Required
- Qualified Charities Only
- Cash Donations
- Non-cash Donations
- Year-End Donations

During the holidays, many charities solicit gifts of money or property. This article includes tips for documenting your charitable gifts so that you can claim a deduction on your tax return and advice for how not to be scammed by criminals trying to trick you into sending charitable donations to them.

To claim a charitable deduction you must itemize your deductions; if you don't, there is no need to keep any records. In addition, only contributions to qualified charities are deductible. Of course, we all know that the Red Cross, Salvation Army, and Cancer Society are legitimate, qualified charities, but what about small or local charities? To make sure a charity is qualified, use the IRS [Select Check tool](#). You can always deduct gifts to churches, synagogues, temples, mosques, and government agencies—even if the Select Check tool does not list them in its database.

The documentation requirements for cash and non-cash contributions are different. A donor may not claim a deduction for a cash, check, or other monetary gift unless the donor maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity (such as a receipt or a letter) showing the name of the charity, the date of the contribution, and the amount of the contribution. In addition, if the contribution is \$250 or more, the donor must also get an [acknowledgment from the charity](#) for each deductible donation.

When contributions are made via payroll deductions, a pay stub, Form W-2 or other verifying document should be maintained as verification of the gift. It must show the total amount withheld for charity. In addition, be sure to retain the pledge card showing the name of the charity.

Non-cash contributions are also deductible. Generally, contributions of this type must be in good condition, and they can include food, art, jewelry, clothing, furniture, furnishings, electronics, appliances, and linens. Items of minimal value (such as underwear and socks) are generally not deductible. The deductible amount is the fair-market value of the items at the time of the donation, and as with cash donations, if the value is \$250 or more, you save an [acknowledgment from the charity](#) for each deductible donation. Be aware: the door hangers left by many charities after picking up a donation do not meet the acknowledgement criteria; in one court case, taxpayers were denied their charitable deduction because their acknowledgement consisted only of door hangers. When a non-cash contribution is \$500 or more, the IRS requires Form 8283 to be included with the return, and when the donation is \$5,000 or more, a certified appraisal is generally required.

Special rules also apply to [donations of used vehicles](#) when the deduction claimed exceeds \$500. The deductible amount is based upon the charity's use of the vehicle, and Form 8283 is required. A charity accepting used vehicles as donations is required to provide Form 1098-C (or an equivalent) to properly document the donation.

There are also special rules for purchasing capital assets for a charity, such as travel, personal vehicle use, entertainment, and placement of students in a home. Please call for information related to these issues.

Charitable contributions are deductible in the year in which you make them. If you charge a gift to a credit card before the end of the year, it will count for 2015. This is true even if you don't pay the credit card bill until 2016. In addition, a check will count for 2015 as long as you mail it in 2015.

If you have questions or concerns about your 2015 charitable donations or about the documentation required to claim deductions for them, please call this office.