



Charitable Contributions

Tax and Business Update

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Deductible Contributions		Nondeductible Contributions	
<p>Money or property given to:</p> <ul style="list-style-type: none"> • Churches, synagogues, temples, mosques and other religious organizations. • Federal, state and local governments (if solely for public purposes). • Nonprofit schools and hospitals. • Public parks and recreation facilities. • Salvation Army, Red Cross, CARE, Goodwill, United Way, Boy/Girl Scouts, Boy and Girls Clubs of America, etc. • War veterans' groups. • Charities listed in IRS Pub. 78. 	<p>Charitable travel: transportation (actual expenses or 14¢ per mile), meals and lodging.</p> <p>Volunteer out-of-pocket expenses.</p> <p>Housing exchange students (sponsored by a qualified organization): up to \$50 per month.</p>	<p>Money or property given to:</p> <ul style="list-style-type: none"> • Civic leagues, social and sports clubs, labor unions and chambers of commerce. • Foreign organizations (except certain Canadian, Israeli and Mexican charities). • Groups that are run for personal profit. • Groups whose purpose is to lobby for law changes. • Homeowners' associations. • Individuals. • Political groups or candidates for public office. 	<p>Cost of raffle, bingo or lottery tickets.</p> <p>Dues, fees or bills paid to country clubs, lodges, fraternal orders or similar groups.</p> <p>Permitting charity to use property.</p> <p>Tuition.</p> <p>Value of time or services.</p> <p>Value of goods, services or memberships received in return (unless insubstantial).</p>

Charitable Deduction Strategies

Type of Property	Amount Deductible (Subject to AGI Limits)	Strategy to Maximize Charitable Contribution Deduction
Cash	Amount given	<ul style="list-style-type: none"> • Ensure donation made in a year itemized deductions are claimed. • Credit card charges can accelerate deduction and defer payment.
Appreciated Property [Fair market value (FMV) greater than cost or adjusted basis]		
Short-term (held 1 yr or less) capital gain property, inventory or self-created property	Adjusted basis	<ul style="list-style-type: none"> • Donate property for which FMV approximates adjusted basis. • Wait until capital assets are LTCG property so that FMV can be deducted.
Long-term (held > 1 yr) capital gain (LTCG) property, including tangible personal property donated for use related to charity's exempt function	FMV	Donate LTCG property in lieu of cash and avoid tax on the unrealized gain.
Tangible personal property for charity's unrelated use	Adjusted basis	<ul style="list-style-type: none"> • Donate property for which FMV approximates adjusted basis. • For LTCG property, sell at FMV (gain taxed at lower LTCG rates) and donate the sale proceeds, yielding a tax deduction at the higher ordinary income tax rates.

Substantiation Guide for Noncash Charitable Contributions

Property Donated	Amount Given in a Single Donation			
	< \$250 ¹	\$250 to \$500	\$501 to \$5,000	Over \$5,000
Publicly Traded Stock	<ul style="list-style-type: none"> Receipt. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section A. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section A.
Nonpublicly Traded Stock	<ul style="list-style-type: none"> Receipt. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section A. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section B. Qualified appraisal (if deduction >\$10,000).
Artwork	<ul style="list-style-type: none"> Receipt. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section A. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section B. Qualified appraisal.
Autos, Boats, Airplanes	<ul style="list-style-type: none"> Receipt. Written records. 	<ul style="list-style-type: none"> Form 1098-C or other acknowledgment from charity. Written records. 	<ul style="list-style-type: none"> Form 1098-C or other acknowledgment from charity. Written records. Form 8283, Section A. 	<ul style="list-style-type: none"> Form 1098-C or other acknowledgment from charity. Written records. Form 8283, Section B. Qualified appraisal (if charity sells without significant use or material improvement).
All Other Noncash Donations	<ul style="list-style-type: none"> Receipt. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section A. 	<ul style="list-style-type: none"> Acknowledgment from charity. Written records. Form 8283, Section B. Qualified appraisal.

¹ Receipt not required if impractical to obtain (for example, items left at a drop-box).

Notes



The handout is designed to provide accurate information regarding the subject matter covered. However, before completing any significant transactions based on the information contained herein, please contact us for advice on how the information applies in your specific situation.
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