

2007 Charitable Donation Guide

New reporting requirements

Note: This guide covers only the most common types of donations we see each year. Please call if your charitable donation is unusual.

All Cash Donations, regardless of the amount, must be substantiated by a canceled check, bank record, credit card statement, or acknowledgment from the qualified charity* showing the name of the organization, the date and amount of the contribution. Other written records do not qualify. If \$250 or more, you must have the cancelled check *and* proper acknowledgement** from the charity.

Payroll deductions must be substantiated by a pay stub, Form W-2, *and* a pledge card or similar document from the charity. If the amount withheld from a single paycheck is \$250 or more, the pledge card must include a statement to the effect that no goods or services were provided in return for the contribution.

Non-Cash Donations of used clothing or household items (furniture or furnishings, linens, appliances or electronics – but not antiques, art or jewelry):

1. All donations will have to be of GOOD used condition or better. (Unless valued at more than \$500 in a qualified appraisal attached to the tax return.)
2. If under \$250, as proof of your donation, you need a *dated* receipt from the organization that provides a *reasonably detailed description of the property*. (This excludes the “bag of clothing” or “box of household goods”) You must also maintain records showing the fair market value of the property and your cost basis (what you paid for it).
3. If \$250 or more, *in addition to the proof detailed in #2 above*, you also need a properly written acknowledgement** from the charity.
4. If your non-cash donation exceeds \$500, Form 8283 will have to be attached to your return which details *each* item, when it was purchased, and what you paid for it. (Note – this may exclude your return from E-filing.)
5. Donated vehicles have special rules. Feel free to call us about this type of donation.
6. More than \$5,000 in non-cash donations – You must have a *written* appraisal.

**You may deduct donations to religious, charitable, educational and other philanthropic organizations approved by the IRS to receive deductible contributions.*

***The charity’s written acknowledgement must state whether or not you received any goods or services from the charity in exchange for the contribution. If so, the acknowledgment must estimate their value. Taxpayer must have received the acknowledgement by the filing date of a timely filed return.*