# How to Document Charitable Contributions

#### Cash <\$250 any of these





Standard	d Purchases		
Sale	Post	Description	Amount
06/23	06/23	HARRODS LTD LONDON GBR	
		25.85 POUND STERLING .	38.39
06/23	06/23	HARRODS KNIGHTSBRIDGE LONDON GBR	45.74
06/24	06/24	PC WORLD K/TON HIGH ST GBR	
		39.99 POUND STERLING -	59.83
06/26	06/26	SAINSBURY'S S/MKT KILBURN GBR	
		33.97 POUND STERLING .	50.48
06/27	06/27	TESCO CNV STR 3483 LONDON SW1A GBR	
		10.59 POUND STERLING .	15.74
06/28	06/28	THE LONDON EYE LONDON SE1 GBR	
		36.95 POUND STERLING .	55.57
06/29	06/29	PRIMARK LONDON NW6 GBR	
		12.50 POUND STERLING .	18.75
06/29	06/29	PRIMARK LONDON NW6 GBR	
		15.50 POUND STERLING .	23.25
06/30	06/30	WHOLE FOODS MARKET LONDON GBR	
		25.92 POUND STERLING .	38.88
07/09	07/09	NEW SOUTHERN RAILW CROYDON 4587 GBR	
		59.15 POUND STERLING -	89.22

MasterCard



Note from charity before taxes filed or due

(1) Amount(s), date(s) & donor

#### Cash \$250+

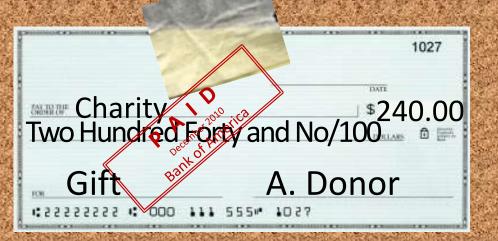


Note from charity before taxes filed or due

- (1) Amount(s), date(s) & donor
- (2) "No goods or services were provided in exchange for these gifts." [or describe and value items provided]

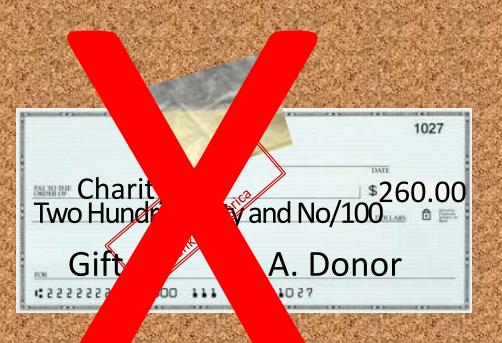
## Based on individual gift amounts







# Based on individual gift amounts





I give through payroll deduction at work to a united appeal, so, there isn't a specific charity to get a receipt from.

How do I substantiate?



If any single gift is \$250+, use a pledge card indicating no goods or services are given in exchange, and the W-2 or paystub.

What about documenting gifts of property?



#### Property Gift Both

#### Note from charity before taxes filed or due

- (1) Donor and date, location & description of property
- (2) "No goods or services were provided in exchange for these gifts." [or describe and value items provided] \*

\*Part (2) not required for gifts <\$250

Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)





For property gifts under \$250, a receipt is not required where it is impractical

# Property <\$250 where receipt is impractical



- (1) Donor a cation & descript perty
- es were provided exception for the continuous provided exception for t

Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

#### Otherwise, Property Gift Both

#### Note from charity before taxes filed or due

- (1) Donor and date, location & description of property
- (2) "No goods or services were provided in exchange for these gifts." [or describe and value items provided] \*

\*Part (2) not required for gifts <\$250

Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

#### Property >\$500

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#### Note from charity before taxes filed or due

- (1) Date, location, and description of property
- (2) "No goods or services were provided in exchange for these gifts." [or describe and value items provided]

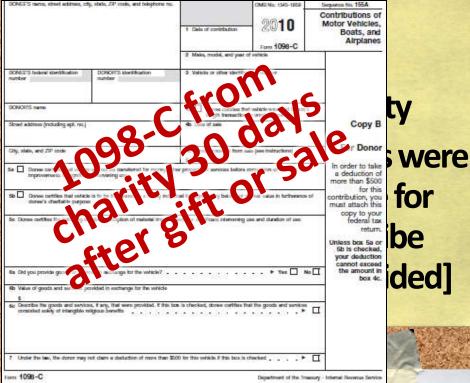
Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

### Car/Plane/Boat >\$500

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is there a restriction limiting the donated property for a particular use?
 For Paperwork Reduction act Notice, see separate instructions.

#### Notes ne charity before taxes | Street Address, City, Math, ZP COSA, and Indeptors On. | Contributions of C



Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

#### Property \$5,000+

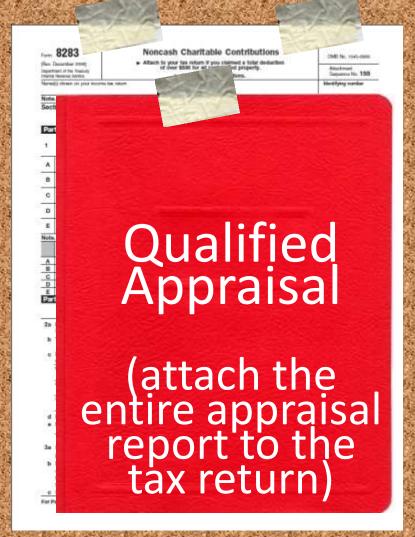
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#### Note from charity before taxes filed or due

- (1) Date, location, and description of property
- (2) "No goods or services were provided in exchange for these gifts." [or describe and value items provided]

Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

#### Property >\$500,000 or Artwork >\$20,000



Note from charity before taxes filed or due

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Donor's reliable records of gift, charity, date, place, FIVIV (and cost basis if relevant)

#### No appraisal for any publicly traded securities

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For Paperwork Reduction Act Notice, see separate instruction

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#### Don't report small benefits

- ≤2% of the donation (\$96\* max benefit)
- ≤\$9.60\* if gift \$48\*+
- Member events (≤\$9.60\*), shop discounts, or entry to facilities and ongoing events given to members where membership ≤\$75

#### Note from charity before taxes filed or due

- (1) Date, location, and description of property
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Donor gives \$80,000 of non-publicly traded stock (\$3,700 basis) to charity. No qualified appraisal is completed, but the valuation is correct. Result?



Donor gives \$80,000 of non-publicly traded stock (\$3,700 basis) to charity. No qualified appraisal is completed, but the valuation is correct.

Result?

Deduction reduced to

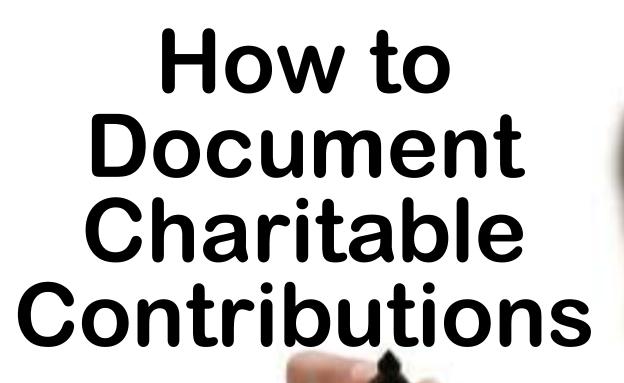
\$3,700



Donor gives \$435,000 of equipment to public charity, but appraisal reports and receipts omit required information. Later, to prepare for the audit, donor gets qualified appraisals. Result?

Donor gives \$435,000 of equipment to public charity, but appraisal reports and receipts omit required information. Later, to prepare for the audit, donor gets qualified appraisals. Result?

No deduction + 20% penalty for underpayment of taxes







If you clicked on the link to let me know you reviewed these slides...

# Thank You!

For the audio lecture accompanying this slide set, go to

EncourageGenerosity.com



#### Think you understand it?



#### Prove it!

#### Click here to go to

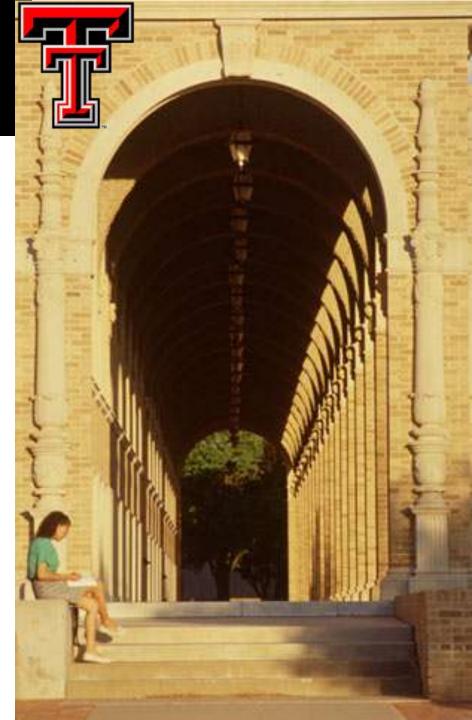
EncourageGenerosity.com and take the free quiz on this slide set. (Instantly graded with in depth explanations and a certificate of completion score report.)

### Graduate Studies in Charitable Financial Planning at Texas Tech University

This slide set is from the introductory curriculum for the Graduate Certificate in Charitable Financial Planning at Texas Tech University, home to the nation's largest graduate program in personal financial planning.

To find out more about the online Graduate Certificate in Charitable Financial Planning go to www.EncourageGenerosity.com

To find out more about the M.S. or Ph.D. in personal financial planning at Texas Tech University, go to <a href="https://www.depts.ttu.edu/pfp/">www.depts.ttu.edu/pfp/</a>



**About the Author** Russell James, J.D., Ph.D., CFP® is an Associate Professor and the Director of Graduate Studies in Charitable Planning in the Division of Personal Financial Planning at Texas Tech University. He graduated, cum laude, from the University of Missouri School of Law where he was a member of the Missouri Law Review. While in law school he received the United Missouri Bank Award for Most Outstanding Work in Gift and Estate Taxation and Planning and the American Jurisprudence Award for Most Outstanding Work in Federal Income Taxation. After graduation, he worked as the Director of Planned Giving for Central

Christian College, Moberly, Missouri for six years and also built a successful law practice limited to estate and gift planning. He later served as president of the college for more than five years, where he had direct and





showed up. I thought it was for me until I found out there was free beer afterwards.



At Giving Korea 2010. I didn't notice until later the projector was shining on my head (inter-cultural height problems).

supervisory responsibility for all fundraising. Dr. James received his Ph.D. in Consumer & Family Economics from the University of Missouri where his dissertation was on the topic of charitable giving. Dr. James has over 100 publications in print or in press in academic journals, conference proceedings, professional periodicals, and books. He writes regularly for Advancing Philanthropy, the magazine of the Association of Fundraising Professionals. He has presented his research in the U.S. and across the world including as an invited speaker in Ireland, Scotland, England, The Netherlands, Spain, Germany, and South Korea. (click here for complete CV)