

# Charitable Contributions

## Charitable Contributions Guide



THE TAX EXPERTS

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### Charitable Organizations

Qualified charitable organizations include nonprofit groups that are religious, charitable, educational, scientific, or literary in purpose, or that work to prevent cruelty to children or animals.

#### Examples of Qualified and Nonqualified Organizations

Qualified	Nonqualified
<ul style="list-style-type: none"> <li>Churches, mosques, temples, synagogues, and other religious organizations.</li> <li>Boy and Girl Scouts of America, Boys and Girls Clubs of America, Red Cross, CARE, Goodwill, Salvation Army, United Way.</li> <li>Fraternal orders, if gifts used for qualified charitable purposes.</li> <li>War veterans' groups.</li> <li>Nonprofit schools, colleges, museums, hospitals, and organizations trying to find medical cures.</li> <li>Federal, state, and local governments, if gifts are solely for public purposes, including nonprofit volunteer fire departments, and public parks facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Country clubs, lodges, fraternal orders, and similar groups, unless they are a qualified charity.</li> <li>Civic leagues, social and sports clubs, labor unions, and chambers of commerce.</li> <li>Political organizations and candidates.</li> <li>Foreign organizations.</li> </ul> <p><b>Exceptions:</b> Contributions to certain Canadian, Israeli, and Mexican charities are deductible. See IRS Pub. 526.</p> <ul style="list-style-type: none"> <li>Homeowner's associations.</li> </ul>

### Contributions That Benefit You

If you receive a benefit in exchange for a charitable contribution, the deduction is reduced by the value of the benefit received.

**Example:** Paul made a \$70 donation to Public TV and received a \$40 CD of his all-time favorite band, the Herman's Hermits, in appreciation for his donation. His deduction equals \$30.

### Charitable Contributions

Deductible as Charitable Contributions	Nondeductible as Charitable Contributions
<ul style="list-style-type: none"> <li>Cash, check, or money order given to a qualified charitable organization.</li> <li>Property other than cash or check given to a qualified charitable organization.</li> <li>Out-of-pocket expenses when serving a qualified organization as a volunteer.</li> <li>Automobile expenses when serving a qualified organization as a volunteer.</li> <li>Limited portion of expenses paid for a student living with the taxpayer under a written agreement, sponsored by a qualified charitable organization.</li> <li>Charity volunteer's travel expenses away from home, including meals/lodging if there is no significant level of personal pleasure, recreation, or vacation in the travel.</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to a nonqualified charitable organization.</li> <li>Political contributions.</li> <li>The value of a taxpayer's time or services.</li> <li>Gifts to an individual.</li> <li>Donations to organizations engaged in lobbying, for law changes, or for the taxpayer's trade or business.</li> <li>Tuition at a school that is a qualified charity (but may qualify for education tax benefits).</li> <li>The cost of raffle, bingo, or lottery tickets (but may qualify as a gambling loss).</li> <li>The value of blood given to a blood bank.</li> <li>Adoption expenses.</li> <li>Contributions of \$250 or more if acknowledgement statement is not retained.</li> <li>The transfer of a future interest in tangible personal property.</li> <li>The amount of contribution where a benefit was received in exchange.</li> <li>Certain contributions to donor-advised funds.</li> </ul>

**Athletic tickets.** No deduction is allowed for amounts paid to (or for the benefit of) a college or university in exchange for athletic event tickets or seating rights.

**State or local credit.** No deduction is allowed for the portion of a charitable contribution from which you receive or expect to receive a credit against state or local taxes.

**Charitable benefit event ticket.** The deduction equals the ticket price, minus the value of the right to attend the event. This is true even if you did not actually attend the event. However, if the ticket is returned to the



## Charitable Contributions

### Charitable Contributions Guide

qualified charity for resale, the entire cost of the ticket is deductible.

### Charitable Contribution Deduction Limitations

**100% AGI limit.** Qualified contributions to certain disaster relief efforts are limited to 100% of AGI by election. Carryover amounts are subject to the 60% AGI limit.

**60% AGI limit.** Cash contributions to public charities and certain other organizations are limited to 60% of AGI. The 60% limit does not apply to noncash charitable contributions, which are limited to 50% of AGI.

**Note:** For 2020 the 60% AGI limit has been increased to 100%.

**Example:** Bill gave his church a \$200 cash contribution (60% AGI limit) and also donated clothing with a FMV of \$300 (50% AGI limit).

**30% AGI limit.** The 30% AGI limit applies to:

- Donations to organizations that are not public charities, such as veterans' organizations, fraternal societies, nonprofit cemeteries, and certain private foundations.
- Donation of property that is used by a charity, other than capital gain property donated to a non-public charity.
- Cash contributions for the use of (held in trust) a public charity instead of to the charity.
- Deduction for student living expenses.
- Certain capital gain property contributions to public charities. However, can elect to apply the 50% AGI limit.

**20% limit.** The 20% AGI limit applies to noncash contributions of capital gain property to non-public charities, or for the use of, any qualified organization.

**State or local credit for charitable contribution limit.** The federal charitable contribution deduction is limited to the extent you receive or expect to receive a corresponding state or local tax credit for that contribution.

**Example:** In 2020, Andy makes a charitable contribution of \$1,000 to the state of New York receiving a state tax credit of 70% of the amount contributed (\$700). Andy's federal charitable contribution deduction may not exceed \$300.

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## Donating a Vehicle

### Written Acknowledgement

Obtain written acknowledgement from the organization, which includes details on the use or disposition of the vehicle by the donee organization. A copy of the written acknowledgement must be attached to the tax return.

### Deduction More Than \$500

A vehicle donation with a claimed fair market value (FMV) more than \$500 is limited.

- 1) If the organization sells the donated vehicle without a significant intervening use of or material improvement by the donee organization, then the deduction is limited to the gross proceeds received from the sale.
- 2) If the organization sells the donated vehicle after a significant intervening use of or material improvement to the vehicle, the deduction is limited to its FMV.
- 3) If the organization gives or sells the vehicle at well below FMV to a needy individual in line with the purpose of the charity to provide transportation to the poor, the deduction is limited to FMV

### Donation \$500 or Less

A written acknowledgement is still required if the contribution is \$250 or more. If the organization sells the vehicle without any significant intervening use of or material improvement for \$500 or less, the deduction is equal to the lesser of \$500, or FMV.

**Example:** Jack donates his car, worth \$800, to a charity that sells it for \$400 without any significant intervening use or without making any material improvements. Jack can deduct \$500 as a charitable contribution for the donation of his car. Because his deduction is \$250 or more, he still needs a written acknowledgement from the charity, but the acknowledgement is not required to be attached to his return.

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- Pension or IRA distributions.
- Significant change in income or deductions.
- Marriage.
- Attainment of age 59½ or 72.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.

# Charitable Contributions Recordkeeping Requirements



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## Recordkeeping Requirements

### Recordkeeping Requirements for Charitable Contributions

#### Reporting Requirement Thresholds:

- *Cash*. Do not combine separate contributions.
- *Noncash*. Combine claimed deductions of all similar items to determine \$501 or greater amount.

#### Contribution: Less than \$250

<b>Cash</b>	One of the following: <ol style="list-style-type: none"> <li>1) Bank record with organization's name, date, and amount of contribution. Bank records may include canceled check, bank statement, or credit card statement.</li> <li>2) Receipt (includes email) showing organization's name, date, and amount of contribution.</li> <li>3) Payroll deduction record.</li> </ol>
<b>Non-cash</b>	All of the following: <ol style="list-style-type: none"> <li>1) Receipt from a charitable organization showing the name of the organization, date and location of the contribution, and a reasonably detailed description of property contributed.</li> <li>2) Documentation of FMV and method used to determine, cost or other basis of appreciated property, amount claimed if less than your entire interest, and terms of any condition attached to the contribution.</li> </ol> <p><b>Note:</b> A receipt is not required where it is impractical to get one, such as leaving property at a charity's unattended drop site. The organization's name, date of contribution, and description of property are still required.</p>

#### Contribution: \$250 to \$500

<b>Cash</b>	Same as less than \$250, plus: Written acknowledgement from the charitable organization or payroll deduction record. The acknowledgement must (1) show the date and amount of the contribution, (2) state whether any goods or services other than intangible religious benefits were provided by the charitable organization (including a good faith estimate of the value), and (3) a statement that the only benefit the taxpayer received was an intangible religious benefit, if that was the case.  The taxpayer must receive the acknowledgement by the earlier of the date of filing or due date of the return, including extensions.
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#### Contribution: \$250 to \$500 (continued)

<b>Non-cash</b>	Written acknowledgement from the charitable organization showing (1) the date and location of the contribution, (2) a reasonably detailed description of the contributed property, (3) whether any goods or services other than intangible religious benefits were provided by the charitable organization (including a good faith estimate of the value), and (4) a statement that the only benefit the taxpayer received was an intangible religious benefit, if that is the case.  The written acknowledgement does not need to state fair market value.  The taxpayer must receive the acknowledgement by the earlier of the date of filing or due date of the return, including extensions.
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#### Contribution: \$501 to \$5,000

<b>Cash</b>	Same as \$250 to \$500.
<b>Non-cash</b>	Same as \$250 to \$500, plus: <ul style="list-style-type: none"> <li>• How property was acquired (purchase, gift, inheritance, etc.).</li> <li>• Approximate date property was obtained or produced.</li> <li>• Cost or other basis and basis adjustments.</li> </ul> <p>If information about the date acquired or basis of the property is not available due to reasonable cause, attach an explanation to the return.</p>

#### Contribution: Over \$5,000

<b>Cash</b>	Same as \$250 to \$500.
<b>Non-cash</b>	Same as \$250 to \$5,000. A written appraisal is generally required. Certain exceptions exist for written appraisals including securities with readily available market quotations.

## Part Contribution, Part Goods or Services

A written statement from a charity is required if a donation is more than \$75 and is partly a contribution and partly for goods or services. The statement must contain an estimate of the value of goods or services received. **Exception:** A written statement for goods or services is not required if one of the following is true.



## Charitable Contributions Recordkeeping Requirements

- 1) The charity is a federal, state, or local government, or a religious organization where the benefit is an intangible religious benefit, such as admission to a religious ceremony.
- 2) The goods or services are of token value.
- 3) The goods or services are membership benefits.

Cash Donation Tracker				
Charitable Organization	Written Receipt?	Check #	Date	Amount
<b>Total</b>				

Charitable Mileage Log		
Date	Charitable Purpose	Miles
<b>Total Miles</b>		

### Out-of-Pocket and Auto Expenses

If you do volunteer work for charitable organizations you can deduct your out-of-pocket expenses. The expense must be incurred because of the services rendered. The value of your time to render the services is not deductible. Report out-of-pocket expenses as cash contributions.

- **Auto expenses.** Deductible out-of-pocket expenses include the cost of using your auto in providing services for a charitable organization. Deduct the actual

cost of gas and oil or the standard mileage rate. Add parking and tolls to amount claimed for either standard mileage rate or actual expenses.

- **Charitable standard mileage rate.** The charitable standard mileage rate for 2020 is 14¢ per mile.
- **Travel expenses.** The cost of travel, such as air, rail, and bus transportation, as well as meals and lodging, are deductible while away from home doing volunteer work if there is no significant element of personal pleasure, recreation, or vacation in the travel. The deduction will not be denied simply because you enjoy doing the volunteer work. However, if you have only nominal duties for the charity, or if for significant parts of the trip you do not have duties to perform, the travel expenses are not deductible.
- **Conventions.** Travel expenses to attend a convention of a qualified organization are deductible only if you are a chosen representative. Expenses to attend a church convention, for example, are not deductible if you attend as a member of the church rather than as a chosen representative.
- **Uniforms.** The cost and upkeep of uniforms not suitable for everyday use are deductible if required to be worn while performing volunteer work for a charitable organization.

### Form 8283, Noncash Charitable Contributions

Use Form 8283, *Noncash Charitable Contributions*, to report information about noncash contributions when the total amount exceeds \$500.

Complete Section A, Form 8283	Complete Section B, Form 8283
<ul style="list-style-type: none"> <li>• Items or groups of similar items* for which a deduction of \$5,000 or less per item is claimed.</li> <li>• Publicly traded securities, even if deduction exceeds \$5,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Items or groups of similar items* for which a deduction of more than \$5,000 is claimed.</li> <li>• Most items reported in Section B require a written appraisal.</li> </ul>

\* Similar items are items of the same generic category or type. For example, clothing and books are not similar.

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- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Pension or IRA distributions.</li> <li>• Significant change in income or deductions.</li> <li>• Job change.</li> <li>• Marriage.</li> <li>• Attainment of age 59½ or 72.</li> <li>• Sale or purchase of a business.</li> <li>• Sale or purchase of a residence or other real estate.</li> </ul> | <ul style="list-style-type: none"> <li>• Retirement.</li> <li>• Notice from IRS or other revenue department.</li> <li>• Divorce or separation.</li> <li>• Self-employment.</li> <li>• Charitable contributions of property in excess of \$5,000.</li> </ul> |
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# Charitable Contributions Noncash FMV Guide

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## Fair Market Value Guide

### Men's Clothing

Accessories.....	\$2-\$8
Belts/leather.....	\$5-\$15
Belts/not leather...	\$2-\$6
Boots.....	\$6-\$18
Coats.....	\$15-\$60
Hospital wear.....	\$3-\$5
Jackets.....	\$8-\$25
Jeans.....	\$4-\$21
Shirts.....	\$3-\$12
Shoes.....	\$4-\$25
Shorts.....	\$4-\$10
Ski suit.....	\$14-\$20
Slacks.....	\$5-\$12
Sleepwear.....	\$2-\$10
Suits.....	\$15-\$40
Sweat clothes.....	\$2-\$12
Sweaters.....	\$5-\$15
Swimwear.....	\$4-\$12
T-shirts.....	\$1-\$6
Ties.....	\$1-\$5
Tuxedo.....	\$10-\$60
Wallets.....	\$2-\$6

### Women's Clothing

Belts/leather.....	\$5-\$15
Belts/not leather...	\$2-\$6
Boots.....	\$6-\$18
Coats.....	\$7-\$40
Dresses/evening wear.....	\$10-\$60
Dresses/everyday.	\$4-\$20
Hospital wear.....	\$3-\$5
Intimate apparel....	\$3-\$8
Jackets.....	\$4-\$12
Jeans.....	\$4-\$21
Purses.....	\$3-\$20
Shirts/blouses.....	\$2-\$12
Shoes.....	\$4-\$25
Shorts.....	\$1-\$9
Skirts.....	\$3-\$12

Slacks.....	\$3-\$12
Sleepwear.....	\$4-\$12
Suits.....	\$5-\$30
Sweat clothes.....	\$2-\$12
Sweaters.....	\$5-\$20
Swimwear.....	\$4-\$12
Tank tops.....	\$1-\$6
T-shirts.....	\$1-\$6
Vests.....	\$3-\$9
Wedding dress.....	\$25-\$60

### Children's Clothing

Belts/leather.....	\$3-\$9
Belts/not leather...	\$1-\$2
Coats.....	\$5-\$20
Dresses.....	\$2-\$6
Jeans.....	\$3-\$10
Pants.....	\$2-\$12
Shirts.....	\$2-\$6
Shoes.....	\$2-\$8
Shorts.....	\$1-\$6
Skirts.....	\$1-\$6
Sleepwear.....	\$1-\$6
Sweat clothes.....	\$1-\$6
Sweaters.....	\$1-\$6
Swimsuit.....	\$1-\$6
T-shirts.....	\$1-\$3
Vests.....	\$1-\$3

### Infants

0-4T.....	\$3-\$5
Baby clothes.....	\$1-\$15
Coat to 4T.....	\$5-\$8

### Electrical Items

Calculator.....	\$5-\$15
Camera.....	\$20-\$200
Cell phone.....	\$25-\$100
Coffee maker.....	\$4-\$15
Curling iron.....	\$2-\$5
DVD player.....	\$8-\$15

Lamps/floor.....	\$5-\$30
Lamps/table.....	\$4-\$12
Phone.....	\$5-\$25
Radio.....	\$5-\$20
Small appliances...	\$2-\$8
Stereo system.....	\$15-\$75
Television.....	\$60-\$170
Vacuum cleaner...	\$15-\$65
VCR.....	\$8-\$15

### Computers

Monitors.....	\$5-\$50
Printers.....	\$5-\$150
Systems.....	\$100-\$400

### Kitchen Items

Baking pans.....	\$1-\$3
Gadgets.....	\$1-\$2
Glasses/mugs.....	\$1-\$2
Plates.....	\$1-\$3
Pots and pans.....	\$1-\$3

### Sporting Goods

Bicycles.....	\$12-\$60
Exercise equipment.....	\$5-\$200
Fishing rods.....	\$5-\$25
Golf clubs (each)...	\$2-\$25
Skates.....	\$3-\$15
Skis.....	\$5-\$50
Sled.....	\$5-\$15
Tennis rackets.....	\$3-\$10
Tricycles.....	\$5-\$20
Wagon.....	\$5-\$40

### Furniture

Bed/complete (double).....	\$50-\$170
Bed/complete (single).....	\$35-\$100
Bedroom set (complete).....	\$250-\$1,000

Chairs.....	\$5-\$15
Chest.....	\$25-\$95
China cabinet.....	\$85-\$300
Coffee tables.....	\$15-\$65
Crib with mattress.....	\$25-\$100
Desks.....	\$25-\$140
Dining room set (complete).....	\$150-\$900
Dressers.....	\$25-\$100
End tables.....	\$5-\$20
High chair.....	\$10-\$50
Kitchen set.....	\$35-\$150
Mattress/box spring.....	\$10-\$50
Play pen.....	\$4-\$30
Recliners.....	\$30-\$50
Sofa.....	\$30-\$200
Wardrobe.....	\$20-\$100
Wooden trunk.....	\$5-\$70

### Textiles

Bath towel.....	\$2-\$6
Bedspreads.....	\$8-\$24
Blankets.....	\$2-\$15
Curtains.....	\$2-\$12
Dish towel.....	\$1-\$2
Drapes.....	\$7-\$30
Mattress pads.....	\$2-\$8
Pillows.....	\$2-\$8
Quilts.....	\$8-\$24
Rugs.....	\$3-\$10
Sheets.....	\$2-\$8
Tablecloth.....	\$3-\$5
Throw rugs.....	\$3-\$12
Towels.....	\$2-\$6

### Books and Multimedia

CDs.....	\$2-\$5
DVDs.....	\$2-\$5
Hard cover books..	\$1-\$3

Paperback books..	\$1-\$2
Records.....	\$1-\$2

### Toys, Games

Puzzles.....	\$1-\$2
Board games.....	\$1-\$3
Stuffed animals.....	\$1-\$2

### Appliances

Air conditioner.....	\$20-\$90
Dryer.....	\$45-\$90
Electric stove.....	\$75-\$150
Fan.....	\$3-\$25
Gas stove.....	\$50-\$125
Heaters.....	\$8-\$22
Iron.....	\$3-\$10
Microwave.....	\$10-\$50
Refrigerator.....	\$75-\$250
Toaster.....	\$4-\$12
Washing machine.....	\$40-\$150

### Miscellaneous

Lawn mower.....	\$25-\$100
Luggage.....	\$5-\$15
Organ/Piano.....	\$50-\$200
Pictures.....	\$2-\$10
Riding mower.....	\$50-\$300

**Note:** The price ranges shown represent a compilation based on valuation guides published by various charitable organizations. You are responsible for establishing actual value of items donated.

## Charitable Contributions: Noncash FMV Guide

### Noncash Donation Tracker

Items \$500 or Less In Value

Date of Contribution(s):

Organization:

Address:

Item	Condition: Good or Excellent	Qty.	Fair Market Value Per Item	Total Fair Market Value
1			\$	\$
2			\$	\$
3			\$	\$
4			\$	\$
5			\$	\$
6			\$	\$
7			\$	\$
8			\$	\$
9			\$	\$
10			\$	\$
11			\$	\$
12			\$	\$
13			\$	\$
14			\$	\$
15			\$	\$
16			\$	\$
17			\$	\$
18			\$	\$
19			\$	\$
20			\$	\$
21			\$	\$
22			\$	\$
23			\$	\$
24			\$	\$
25			\$	\$
<b>Total Fair Market Value</b>				\$

No deduction is allowed for a charitable contribution of clothing or household items unless the clothing or household item is in good used condition or better. The IRS is authorized by regulation to deny a deduction for any contribution of clothing or a household item that has minimal monetary value, such as used socks and undergarments.

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**Planning Tip:** Most cell phones today can take pictures. Take a picture of all items donated. Keep the electronic pictures for proof the items were in good or better condition at the time they were donated.

### Recordkeeping Rules for Charitable Contributions

To help substantiate a deduction for the fair market value of used items donated to charity, make a list of each item donated on a separate sheet of paper along with the following information.

- Name and address of charity.
- Date item was donated to the charity.
- Description of each item donated.
- Fair market value of each item at the time it was donated (see the list on this page).
- Date each donated item was originally purchased or acquired.
- Cost or other basis of each item donated.

### Noncash Donation Tracker

Items \$501 to \$5,000

Date of Contribution(s):		Organization:	
Address:			
Item:		How Item Was Acquired:	
Fair Market Value: \$	* Purchase Date:	Purchase Cost: \$	
Date of Contribution(s):		Organization:	
Address:			
Item:		How Item Was Acquired:	
Fair Market Value: \$	* Purchase Date:	Purchase Cost: \$	
* T = Thrift Shop Value C = Comparable Sales		A = Appraisal O = Other	

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- Retirement.
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