

Charitable Contributions

- **Ceiling on contributions.** Unless a taxpayer's contributions are quite substantial in relation to AGI, the ceiling is not a concern.
 - For the so-called 50% charitable organizations, like churches, colleges, and publicly supported charities, you can donate at least 50% of your AGI, sometimes more at the whim of congress.
 - There are some 30% organizations including veterans' organizations, fraternal societies, and non-profit cemeteries.
 - 20% limit applies to contributions of capital gain property held long-term to a 30% organization.
 - There is also a 30% limit on cash contributions made "for the use of" rather than "to" the organization. 20% would be the limit if this were a donation of capital gain property.
 - The rules for applying the limits are made in a specific order and there are other limits sometimes in play. For additional information, consult [Publication 526 Charitable Contributions](#)
- **Cash Contributions.**
 - Regardless of the amount, a cash contribution requires a receipt or bank record. This includes donations made by check, credit card, EFT, or gift card redeemable for cash. You need an e-mail or other written receipt, a canceled check, bank copy of both sides of a canceled check, EFT receipt, monthly account statement, or credit card statement that shows the name of the organization and the date and amount of the contribution.
 - If the contribution is for \$250 or more, you need more. You need a written acknowledgement.
 - If the contribution is made by payroll deduction, you need a pay stub, W2, or other employer-furnished document showing the amount withheld as a donation, along with 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 stipulate that no goods or services were provided in return for the donation.
 - For purposes of the \$250 threshold, each contribution made during the year is considered separately. So, for small donations, each under \$250, no acknowledgement is needed even if they total \$250 or more for the year. This is true for payroll deductions as well. Note that this does NOT pertain to non-cash deductions.
- **Non-Cash Deductions**
 - For donations of property, the amount of the deduction claimed determines the records that must be kept.
 - For a non-cash contribution of under \$250, you need a dated receipt and a reasonably detailed description of the property from the organization. If obtaining a receipt is impractical, then a contemporaneous notation will satisfy the record-keeping requirement.
 - For a non-cash contribution of \$250 or more, you must have the written acknowledgement from the charity as described above. The acknowledgement must indicate if you received benefits in exchange for your contribution.
 - To claim a deduction for more than \$500 in total for the year, but no more than \$5000, you need, in addition to the written acknowledgement, records that show **when** and **how** you obtained the property, your **cost** or other basis for the property, and the fair market value. You must report this information on [Form 8283 Noncash Charitable Contributions](#). [Herewith](#) are the instructions for Form 8283.
 - For a deduction exceeding \$5000 then you also need, in most cases, a written appraisal from a qualified appraiser. You do not need to attach the appraisal, but you must summarize it on Form 8283.
- **Nondeductible Deductions**
 - Donations to or on behalf of specific individuals.
 - Payments to political campaigns.

- Payments to an organization that that devotes a substantial part of its activities to lobbying, trying to influence legislation, or carrying on propaganda.
- Gifts to organizations such as Fraternal groups, Professional Groups, or Social Clubs.
- Donations to civic leagues, chambers of commerce, business leagues, or labor unions.
- Contributions to a hospital or school operated for profit.
- Purchase price of church building bond.
- Donations of blood.
- Contributions to foreign organizations or governments.
- **For more information see [Pub 526 Charitable Contributions](#)**

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