

NEW DEDUCTIBLE CONTRIBUTION REQUIREMENTS

Please try to get the appropriate documentation when you make the donation, because most charitable givers make those requests during tax time, and that means you may have to wait a long time.

The IRS requirements for deductible contributions:

- Gifts of less than \$250: A canceled check or a receipt from the organization will suffice.
- Gifts of \$250 or more: You must get an acknowledgement letter from the charitable organization. A canceled check is not enough. The letter should specify whether you received any goods or services in return for the contribution; if so, their value must be included in the letter (and that value is not deductible).
- Household goods used clothing, miscellaneous property: You'll need receipts for gifts worth \$250 or more. Donating to several organizations? If the combined total is more than \$500, you will have to provide on your return a list of each item donated, its estimated market value, the name and address of the charitable organization and the date of the gift. But take note: you cannot take deductions for any contributions made after August 16, 2006, unless the donated property is in good condition or better. Keep a digital picture of what you donate.
- Cars, boats and planes: the rules for these donations are a bit more complicated. In general, the value you claim as a deduction cannot exceed the gross proceeds from the charity's sale of the vehicle, and a written acknowledgment is required. There are many exceptions and variations.
- Property worth more than \$5,000: If you're donating jewelry for a charitable auction or some other big-ticket item, you will have to include an appraisal summary of the goods with your tax return. For art valued at \$20,000 or more, a copy of the appraisal itself must be included.