

**Q:** “Our members ask us to substantiate and acknowledge offerings in order to assist them in completing income tax forms. Must we do that?”

**A:** Taxpayers who itemize may deduct contributions of money or property made to charitable organizations. The Revenue Reconciliation Act of 1993 changed the way donors can substantiate their donation. Prior to 1993, all a donor needed to support a deduction was a canceled check. For contributions made after that time, the following rules apply.

### **Substantiation of single contributions of \$250 or more**

Any single contribution of \$250 or more can no longer be substantiated by a canceled check. Donors will not be allowed a tax deduction for an individual contribution (cash or property) of \$250 or more unless they receive a written acknowledgment from the charitable organization that satisfies the following requirements:

- The receipt is in writing
- The receipt identifies the donor by name
- For donations of property, the receipt describes the property but does not state a value of the property
- The receipt shows separately each individual contribution of \$250 or more
- The receipt states whether or not the charitable organization provided any goods or services to the donor in exchange for the donation, and if so, the receipt includes an estimate of the value of those goods and services
- If the charitable organization provides no goods or services to the donor in exchange for a contribution, or if the only goods or services the organization provides are "intangible religious benefits," then the receipt must contain a statement to that effect. An appropriate statement would be "No goods or services were provided to you by the church in connection with any contribution, or their value was insignificant or consisted entirely of intangible religious benefits."
- The receipt must be received by the donor on or before the date the donor files a tax return claiming the deduction

### **"Quid pro quo" contributions of more than \$75**

A quid pro quo contribution is one that is a payment that is partly a contribution and partly a payment for goods or services received in exchange for the contribution. For every quid pro quo payment the charitable organization receives it must provide a written statement to the donor that satisfies the following conditions:

- The statement informs the donor that the amount of the payment that is tax-deductible is limited to the excess of the contribution over the value of any goods or services provided by the charitable organization
- The statement provides the donor with an estimate of the value of goods or services furnished by the charitable organization.

For further information on substantiation requirements please contact your local Internal Revenue Service office.

Above materials have been gleaned from  
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