

Charitable Donations

Giving is divine, but the Internal Revenue Service has a number of rules relating to obtaining a deduction for being charitable.

Qualified Charities

To obtain a deduction for a donation of any type you must donate to a qualified charity.

To be a qualified charitable organization that organization must be approved by the IRS.

To determine the status of a charity, you may go to [IRS.gov](https://www.irs.gov) and select the IRS Select Check tool.

Gifts to individuals, political organizations, or candidates are not deductible no matter how well intentioned you might have been.

Itemize Deductions

To obtain a deduction for any donations you must itemize deductions although for 2020 and thereafter, the IRS is now allowing an above the line (AGI) deduction up to \$300.00.

Benefit in Return

Should you obtain goods or services in return for the donation you make, you are required to reduce the amount of the deduction for the fair value of the services or goods received you can only deduct the amount of your gift that is more than the value of what you got in return.

Examples of benefits include merchandise, meals, tickets to an event or other goods and services.

Type of Donation

If you donate property instead of cash your deduction amount is normally limited to the item's fair market value.

Fair market value is generally the price you would have received if you sold the property on the open market.

If your donation is used clothing, or household goods, those items must be in good condition, or better, to be deductible.

Special rules apply to cars, boats and other types of property donations.

If you what you donated amounts to \$5,000 or more, you must obtain an independent appraisal of the donated property before you can take the deduction.

Donations of \$250 or More

For any donation made in the cumulative amount is \$250 or more for the entire year, you must have a written statement from the charitable organization the donation was made to during the year.

That statement must show the amount of the donation and a description of any property given.

It must also say whether you received any goods or services in exchange for the gift.

It appears once again that the government has more rules than God, as he had only 10 rules, so to speak.

