

**From the desk of
Peter S. Muffoletto, C.P.A.**

Charitable Donations

Giving is divine, but the Internal Revenue Service has some rules relating to obtaining a deduction for charitable giving.

Qualified Charities

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

Gifts to individuals, political organizations or candidates are not deductible.

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

If the organization does not meet the acceptability standards, nor is politically correct as determined by some IRS officials running that division of the IRS, then, well, we have seen how that has worked, or actually we haven't seen how that works, have we.

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

Itemize Deductions

To obtain a deduction for any donations you must itemize deductions.

Benefit in Return

If you obtain services or goods in return for your donation you are required to reduce you're 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 was used clothing and household items 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 over the year of \$250 or more you must have a written statement from the charity you made the donation.

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 did God, as he had only 10.

(or was that Chuck Heston?)

Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at

www.petemcpa.com!

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at (818) 346-2160, or you can visit us on the web at

[www.petemcpa.com!](http://www.petemcpa.com)

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partnerships, professionals, and other business entities with the
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