



Charitable contributions may help lower your tax bill. It's also important to keep proper documentation.

If you made charitable contributions to a qualified organization, it may help lower your tax bill. Here are some tips to help ensure your contributions pay off on your tax return.

To get a tax deduction, you must give to a qualified organization. You cannot take a deduction for contributions made to specific individuals, political organizations or candidate; you must file Form 1040 and itemize the deduction on Schedule A.

A key thing to remember is if you receive a benefit in connection with your contribution (golf tournament, merchandise, or other goods and services), then you can only deduct the amount that exceeds the fair market value of the benefit you received. For instance, if you make a contribution of \$75 or more, the charitable organization should tell you the fair market value of any merchandise or other benefits you receive.

Stock or other non-cash donations are usually valued at the fair market value of the property. Clothing and household items must generally be in good used condition or better to be deductible. Special rules apply to vehicle donations.

Another key thing to remember is regardless of the amount, to deduct a contribution of cash, check or other monetary gift, you must maintain:

- a bank record (such as a copy of the check payable to the qualified organization),
- payroll deduction records, or
- a written communication from the qualified organization containing the name of the organization, the date of the contribution and amount of the contribution.

If you, by chance, made a donation through a text message, a telephone bill will meet the recordkeeping requirement as long as it shows the name of the receiving organization, the date of the contribution, and the amount given.

If you want to claim a deduction for contributions of property for any amount, you must maintain, in addition to the records mentioned above, a written acknowledgement from the qualified organization showing the amount of the cash and a description of any property contributed, and whether the organization provided any goods or services in exchange for the gift.

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