

FARM Library

Financial and Risk Management Database

Improving farm management skills one topic at a time

October 2015

Giving? What You Need to Document for Charitable Contributions

Charitable contributions can be made in cash, property, or out of pocket expenses that you paid to do volunteer work. As the type of the donations varies, so does the recordkeeping of the donations. The information below lays out what records are needed for different types of gifts/donations.

Gifts of \$250 or More

For any gift that was made of \$250 or more, you must have a statement from the charitable organization showing:

- The amount of money contributed or a description (but not value) of any property donated.
- Whether or not the organization gave you any goods or services in exchange for your contributions. If you did receive any goods or services, the description and estimate of the value must be included.

Each payment is treated as a separate donation. So if you donated \$50 each month to your church and gave a total of \$600 for the year, each \$50 donated is a separate gift. See gifts by cash or check section later for what documentation is needed.

You must have the statement by the date that you file your return or the due date of your return (whichever is earlier). You don't need to attach the statement to the return, but it should be provided to your tax preparer and kept with your records.

Gifts by Cash or Check

For any contribution made in cash, you must maintain a record of the contribution such as a bank statement, cancelled check, credit card statement, or a written record from the charity. The written record from the charity must include the name of the charity, the date, and the amount of the donation.

You do not need to attach the record to your tax return, but should provide it to your tax preparer, and keep a copy for your records.

Gifts Other Than by Cash or Check

For any property that was donated, such as clothing or household goods, you need to keep a receipt or written statement from the organization that you donated the property to. The receipt needs to show the organizations name and address, the date and location of the donation, and a description of the property.

You also need to keep written records of how you figure the property's value at the time of the donation, the cost or other basis of the property, how you figured the deduction, and if there were any conditions attached to the gift.

The records for property that is donated are needed by your tax preparer, and should also be kept with your records.