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## **Keep Good Records of Your Charitable Donations**

By Lori Power with Laura Barooshian, CPA

Times are tough, especially for nonprofit organizations. Now more than ever, your charitable donations are making a difference. We simply encourage good recordkeeping practices in case your good intentions don't go unnoticed by the IRS.

Recently, the IRS released new requirements for cash and non-cash charitable contributions. That means recordkeeping is now required for all contributions regardless of the amount. Going forward, you'll want to follow these guidelines:

- For cash contributions less than \$250, keep all receipts or a reliable written record in case receipts are requested. Receipts include a check, credit card receipt, payroll deduction, wire transfer or other form of electronic payment.
- For all contributions of \$250 or more, you are required to obtain written documentation which includes a description of any significant goods or services received in return for the donation or it must specifically state that the donor received no goods or services from the charity. You must receive these receipts by the date in which you file your return. This acknowledgement letter must be dated in the year of the donation and should also include the organization's name, description of property donated, FMV and basis of the property, otherwise the deduction will not be allowed.
- For non-cash contributions, receipts should include the organization's name, description of property donated, and FMV and basis of the property.

Furthermore, each donation is viewed as a separate contribution. If you write a \$100 check each month to the same organization, each donation would require a receipt; you would not need a written acknowledgement letter for the total amount. If you make multiple contributions greater than \$250 to the same charity, only one written acknowledgement letter is required from the organization stating the total amount contributed for the year. If the property contributed is greater than \$5,000 (other than publicly traded securities) you must obtain a written acknowledgement letter from the organization along with a qualified written appraisal. The contribution is reported as part of your tax return on Form 8283.

Should you have any questions regarding charitable donations, contact Lori at 781-937-5320 or [lpower@dgccpa.com](mailto:lpower@dgccpa.com).