Substantiation and Acknowledgment of Gifts
A Practical Guide

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Substantiation and Acknowledgement of Gifts

Generally, Donors are entitled to an income tax deduction equal to the fair market value of gifts of cash or property to qualified charitable organizations. However, to ensure the deduction will be recognized by the IRS, the Donor and the Donee charity must meet certain reporting requirements.

In tax jargon, the Donor must “substantiate” the gift by providing written proof of the gift. The Donee must properly “acknowledge” the gift to ensure the donor will have the required substantiation. Accordingly, the following discussion describes both the Donees’ duties and the Donors’ duties with respect to substantiation and acknowledgment.

I. Contributions Eligible for Charitable Deduction. Generally, any contribution of money or property is deductible. However, the following contributions are not deductible:

   A. contributions earmarked for a specific individual or small group of individuals;
   
   B. the value of a Donor’s time or services; and
   
   C. contributions of less than an entire interest in property (i.e., the “use of” property as opposed to the property itself).

II. In-Kind Contributions of Property. In the case of in-kind contributions, it is sometimes difficult to determine whether the contribution is a gift of nondeductible services or a deductible gift of property.

   A. Services versus Property. Clearly, professional fees are classic “services.” The regulations also provide that donations of advertising space or broadcast time by newspapers or radio stations are services, as well as donations of blood. This rule applies even where the services produce property such as legal documents. However, there are many gray areas that must be analogized to one of the above. We typically

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1 Note that contributions of services or the mere "use of" property or equipment are not deductible. However, expenses incurred incidental to contributions of services or temporary use of property are deductible.

2 Treas. Reg. §1.170A-1(g).

3 Treas. Reg. §1.170A-1(g).
recommend that Charitable Donees treat the following gifts as non-deductible services when donated by the service provider:

1. Photography;
2. Legal services;
3. Accounting services;
4. Public service announcements;
5. Telephone answering services;
6. Conference speakers; and
7. Transportation and limo service if donated by the service provider.

In contrast, gifts of the above services should be treated as property where purchased for the Charitable Donee’s use by a third party. Note that contributions of airline tickets donated through the mileage award program are property because the airline is a mere conduit for gifts of mileage from third parties. It is the Donor’s responsibility to determine the fair market value of the property. A Charitable Donee is not required to, and generally should not, furnish the Donor with an estimate of the value of the donated property (despite frequent requests by Donors). Although the organization will value the property for financial statement purposes, it need not furnish such valuation to the Donor.

III. Quid Pro Quo Contributions. A common fundraising approach is to conduct social and recreational events where the patrons receive goods or services in return for their contributions. Examples of these types of events include golf outings, auctions, and dinners. The Internal Revenue Code (“the Code”) provides that a charitable organization must provide a written disclosure statement to Donors who make a “quid pro quo” contribution in excess of $75.

a. The General Rule. A quid pro quo contribution is a contribution partially in consideration for goods or services provided by the charity. The written disclosure must:

4 Analogizing that donation of film or completed portrait is property, but donation of service of taking and/or processing picture on film is service. See 57 T.C. 430.
5 Note that if a ticket is donated outside the mileage award program by the airline, it should be classified as a service donated by service provider.
6 Do not confuse this with the duty to value benefits the Charity provides to the Donor.
i) provide Donors with a good faith estimate of the fair market value (not necessarily the cost to the charity) of the goods or services provided to the Donor in exchange for the donation; and

ii) inform the Donor that the charitable contribution is limited to the amount of the payment that is in excess of the value of goods and services provided to the Donor.  

b. Exceptions to the General Rule: Contributions with Insubstantial Benefits to the Donor.

4A contribution will be fully deductible even if the Donor receives goods or other benefits in return, so long as the benefits conferred on the Donor are insubstantial. Benefits received by a contributor are considered insubstantial where:

i) the fair market value of all the benefits received does not exceed the lesser of 2% of the contribution or $97.00 (inflation adjusted);

ii) the only benefits received by the Donor during the year in return for a contribution of $48.50 or more have an aggregate cost of not more than $9.70 (inflation adjusted) or

iii) the charitable solicitation is accompanied by free, unordered items and the aggregate cost of such items distributed to any single patron in a calendar year is not more than $9.70 (inflation adjusted).

3. Reporting Sales of Donated Property (The Tattletale Rule). In some circumstances, charitable organizations have a duty to report certain details regarding contributed property to the IRS.

a. Form 8282. The following requirements apply only to noncash contributions for which the Donor claimed a deduction of $5,000 or more (and for which the organization should have completed the Donee Acknowledgement portion of Form 8283.) If, within two years after the date of receipt, the charitable organization

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7. For example, if a Donor pays $100 to attend a charity dinner with a fair market value of $45, the Donor has made a quid pro quo contribution of $100. It is the charity’s duty to inform the Donor in writing that the dinner was valued at $45; therefore, only $55, the portion of the payment exceeding the value of the dinner, qualifies as a deductible charitable contribution.


10. Id.

11. Id.
disposes of donated, non-cash property (or any portion thereof), the organization must prepare and file Form 8282, Donee Information Return. A “disposition” includes a sale, exchange, or gift of the property. Form 8282 requires specific information about the donated property, the original Donor, and any previous Donees. The information required includes:

1. a description of the donated property;
2. the date received, sold, exchanged, or otherwise disposed of;
3. the value received upon disposition;
4. the name and EIN of the original Donor; and
5. names, addresses and EINs of the organization and any previous Donees.

Form 8282 must be filed with the IRS within 125 days after the date of disposition and the Donor must be provided with a copy of Form 8282.

b. **Exceptions.** Form 8282 is not required where the donated items are:

i) valued by the Donor at less than $500; or

ii) consumed or distributed for charitable purposes (without consideration) in fulfillment of the Charitable organization’s exempt purposes.  

However, if the property is transferred to another charity (such as another chapter) the information required to file Form 8282 must be provided to that charity and a copy of the Form 8282 filed by the second charity must be provided to the donor.

IV. **Basic Substantiation Requirements for Cash Contributions.** Cash contributions include those paid by cash, check, electronic funds transfer, credit card, or payroll deduction. The Donor cannot deduct a cash contribution, regardless of the amount, unless the Donor retains one of the following:

A. A bank record that includes the name of the qualified organization, the date of the contribution, and the amount of the contribution. Bank records may include:

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12 For example, if a charity accepts a computer and distributes it to a grantee as part of its charitable activities within two years of the gift, there is no need to file Form 8282 because the property was consumed in carrying out the Charity’s exempt purpose.
1. A canceled check;
2. A bank or credit union statement; or
3. A credit card statement.

B. A receipt (or a letter or other written communication) from the qualified organization showing the name of the organization, the date of the contribution, and the amount of the contribution.

C. For payroll deductions, the donor must retain, a pay stub, Form W-2, or other document furnished by the Donor’s employer that shows the date and the amount of the contributions or a pledge card or other document prepared by or for the qualified organization that shows the name of the organization.

V. Additional Requirements for Contributions of $250 or More. For contributions of $250 or more, whether in cash or property, a Charitable Donee must provide a written acknowledgment to the Donor. A Donor's canceled check is not sufficient to support a charitable deduction. The written acknowledgment required to substantiate a charitable contribution of $250 or more must contain the following information:

A. Name of Charitable Donee;
B. Amount of cash contribution;
C. Description (but not value) of non-cash contribution;
D. Statement that no goods or services were provided by the organization, if that is the case;
E. Description and good faith estimate of the value of goods or services, if any, the Donee provided in return for the contribution; and
F. Statement that goods or services, if any, that the organization provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case.

The additional requirements for gifts of $250 or more applies equally to donations of cash or property worth $250 or more, regardless of the value of any benefit the organization provides in exchange for the contribution.¹³

¹³ For example, if a Charity holds a golf outing charging $300 to attend, and the golf game, dinner and other activities provided have a fair market value of $100, the amount of the participant's charitable contribution would be $200. Even though this amount is less than $250, the Donor is still required to obtain a substantiation statement from the Donee Charity documenting the transaction in order to claim a deduction.
The Code imposes a penalty on the charity of $10 per contribution for each failure to provide a written statement when required.\textsuperscript{14}

Charitable organizations should provide the acknowledgement as soon as practical following the donation because to claim the deduction, the Donor must receive the written substantiation statement from the charity by the earlier of (i) the date the Donor files a return for the taxable year in which the contribution was made; (ii) or the date the return was due (including extensions).\textsuperscript{15}

VI. Reporting Noncash Contribution over $500. If a Donor claims a deduction of more than $500 for all noncash donations made during a calendar year, the Donor is required to complete Section A of IRS Form 8283 and attach it to their personal income tax return. Form 8283 requires information about the donated property, including:

A. Name and address of Donee organization;
B. Description of property donated;
C. Date acquired by Donor;
D. Manner of acquisition;
E. Cost of donated property;
F. Date of contribution;
G. Fair market value of donated property; and
H. Method used to determine fair market value.

VII. Reporting Non-cash Contributions of More than $5,000. If a Donor claims a deduction of more than $5,000 for any noncash item (or group of similar items) made during a calendar year, the Donor must comply with the Form 8283, section A reporting requirements describe above. In addition, the Donor must complete section B of Form 8283. Section B requires the Donor to obtain an appraisal of the donated property from a “qualified” appraiser. Section B must then be executed by the qualified appraiser (“Declaration of Appraiser”), the Donor (“Taxpayer Statement”), and the Donee (“Donee Acknowledgement”).

\textsuperscript{14} Although the penalties contained in the provision apply only to contributions in excess of $75, in Publication 1391, the IRS formally requested that information on the deductibility of all quid pro quo contributions be provided to Donors, regardless of the amount.

\textsuperscript{15} IRC § 170(f)(8).
As part of the Donee Acknowledgment portion of Form 8283, the Donee organization must confirm that it qualifies as an organization exempt under IRC §170(c) and state the date that it received the donated property. The Donee Acknowledgement specifically provides that “this acknowledgement does not represent agreement with the claimed fair market value;” thus reinforcing that it is not the Donee’s responsibility to value contributed property.

1. **Qualified Appraisal Requirements.** To satisfy the reporting requirements of Form 8283, the qualified appraiser must conduct the appraisal no earlier than 60 days before the date the property is contributed, and no later than the due date of the return for which the contribution deduction is first claimed (including extensions).\(^{16}\) In determining whether the $5,000 threshold has been exceeded, the values of similar property must be aggregated, even if the property is contributed to various Donees.

   a. **Exceptions to Appraisal Requirement.** Donors are only required to complete and execute limited portions of Section B Form 8283 for contributions of:

      i) Publicly Traded Securities; or
      
      ii) Non-publicly Traded Stock Under $10,000.

Still, Donors must maintain written records substantiating these non-cash contributions, such as a log of such contributions documenting the required information.

VII. **Property Ineligible for Full FMV Deduction.** A gift of property that has increased in value may not be eligible for a full fair market value deduction. Different rules apply depending upon whether the property is capital gain property or ordinary income property.

A. **Capital Gain Property.** Capital assets include property a taxpayer owns and uses for personal purposes or for investment. Examples include stocks, bonds, jewelry, coin or stamp collection, cars, or furniture. For purposes of determining the amount of the charitable deduction, capital assets also include real property such as land and buildings attached to the land as well as depreciable property.

   1. **General Rule.** The general rule is that donations of capital gain property are entitled to a full fair market value deduction. However, there are several notable exceptions, only one of which applies to most charitable organizations.

      i. **Unrelated Use Exception.** Simply put, if a Charitable Donee accepts a donation of appreciated, tangible property, and then uses the property in

\(^{16}\) Note that different rules apply to amended returns.
a manner unrelated to its exempt purpose, the Donor’s deduction will be limited to the price the Donor paid for the property.\footnote{For example, if a museum accepts a painting and, rather than exhibiting the painting, the museum sells the painting to raise funds, the use is considered unrelated and the Donor’s charitable contribution deduction is limited.}

B. Ordinary Income Property. Property is ordinary income property if its sale at fair market value on the date it was contributed would have resulted in ordinary income (or short-term capital gain). Examples of ordinary income property include inventory from a Donor’s business as well as software, art, or manuscripts created by the Donor.

C. Vehicles. On October 22, 2004, President Bush signed the American Jobs Creation Act of 2004 (the “Act”) into law. The Act contains several sweeping provisions that impact donations of vehicles, intellectual property.\footnote{The Act also includes several provisions impacting a narrow class of donors and/or exempt organizations. Specifically, the Act contains new provisions regarding the tax treatment of Bowhead whaling expenses, small business investment company debt, Brownfield property gains and losses, and rural electric cooperatives.}

1. Donations of Motor Vehicles, Boats and Airplanes. The Act applies to donations of vehicles (motor vehicles, boats or aircraft) that are made after December 31, 2004 for which the donor claims a charitable deduction in excess of $500. The Act (i) restricts the amount of the donor’s deduction; (ii) increases the compliance burdens on both the donors and the donees; and (iii) imposes significant penalties on charitable organizations that fail to comply with the Act.

i. Amount of Deduction. The Act bifurcates the tax treatment of the donation depending upon the donee’s intended use of the vehicle. If the charitable donee sells the vehicle without any significant intervening use and without making any significant material improvement, the donor’s deduction is restricted to the gross proceeds realized from the sale of the vehicle. If, on the other hand, the charitable donee intends to make significant material improvements to the vehicle or intends to make significant intervening use of the vehicle, the donor may deduct the fair market value of the vehicle.

ii. Substantiation. Once a taxpayer claims a value in excess of $500 for a donated vehicle, the Act imposes new substantiation and acknowledgement rules that supplant the pre-Act requirements applicable to contributions valued at $250 or more. Consequently, if the claimed value of a donated vehicle exceeds $500, the donor must obtain a contemporaneous written acknowledgement of the gift. Such acknowledgements are considered contemporaneous if provided within 30 days of: (i) the date of sale if there is no material improvement or significant intervening use; or (ii) the date of contribution if there is a material improvement or significant intervening use. The required content of the acknowledgement depends upon the charitable donee’s
intended use of the vehicle. If the donee charity sells the vehicle *without* materially improving it or putting it to a significant intervening use, the acknowledgement must include:

1) The donor’s name and taxpayer identification number;

2) The vehicle identification number;

3) A certification that the vehicle was sold in an arm’s length transaction between unrelated parties;

4) The gross proceeds of the sale; and

5) A statement that the deductible amount may not exceed the gross proceeds.

If, instead, the donee charity retains the vehicle for its use, the acknowledgement must include:

1) The donor’s name and taxpayer identification number;

2) The vehicle identification number;

3) A certification stating the intended use of the vehicle or any material improvement intended for the vehicle and the intended duration of such use; and

4) A certification stating that the vehicle will not be transferred in exchange for money, property or services prior to completion of the intended use or improvement.

The donor is required to submit the acknowledgement with the donor’s income tax return. The donee charity is also required to provide the I.R.S. with a copy of the acknowledgement at a time and in a manner that the I.R.S. specifies.

iii. Noncompliance Penalties. A charitable donee that knowingly furnishes a false or fraudulent acknowledgement, or knowingly fails to furnish a contemporaneous written acknowledgement as required by the Act (*e.g.*, in the requisite manner, within the allotted time, and showing the required information), will be penalized. This penalty may vary, depending on how the charitable donee treats the donated vehicle. If the charitable donee sells a donated vehicle *without* any significant intervening use or material improvement, the penalty is the greater of: (i) the product of...
the highest rate of tax specified in Code Section 1 and the claimed value of the vehicle; or
(ii) the gross proceeds from the sale of the vehicle. If the charitable donee sells a donated
vehicle with a significant intervening use or material improvement, the penalty is the
greater of: (i) the product of the highest rate of tax specified in Code Section 1 and the
claimed value of the vehicle; or (ii) $5,000. (Code Section 1 provides the income tax
rates for individuals, estates and trusts; its highest rate currently is 39.6%).

D. Charitable Contributions of Copyrights, Patents and Similar Intellectual
Property. The Act addresses Congress’ concerns regarding the speculative value of
certain forms of intellectual property (such as patents, copyrights, trademarks, trade
names, trade secrets, know-how, software, or applications or registrations of such
property). The Act modified the Code retroactively, reducing the amount a donor can
claim as a tax deduction for contributions of patents and other forms of intellectual

i. Amount of Deduction. After the effective date, charitable
deductions for such gifts are limited to the lesser of: (i) the donor’s basis in the
contributed property; or (ii) the fair market value of the property. The Act also created a
new charitable deduction that is available, in addition to the initial deduction, whenever
the donated property generates “qualified income.” Qualified income is any net income
received or accrued by the charitable donee that is allocable to the intellectual property
itself (as opposed to the activity in which the intellectual property is used). The
additional deduction may be taken in the year of contribution or in subsequent taxable
taxes based on a percentage of the qualified income received or accrued by the charitable
donee. These deductions will be calculated as a sliding scale percentage of the charitable
donee’s qualified income as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Qualified Donee Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st year ending on or after contribution</td>
<td>100%</td>
</tr>
<tr>
<td>2nd year ending on or after contribution</td>
<td>100%</td>
</tr>
<tr>
<td>3rd year ending on or after contribution</td>
<td>90%</td>
</tr>
<tr>
<td>4th year ending on or after contribution</td>
<td>80%</td>
</tr>
<tr>
<td>5th year ending on or after contribution</td>
<td>70%</td>
</tr>
<tr>
<td>6th year ending on or after contribution</td>
<td>60%</td>
</tr>
<tr>
<td>7th year ending on or after contribution</td>
<td>50%</td>
</tr>
<tr>
<td>8th year ending on or after contribution</td>
<td>40%</td>
</tr>
<tr>
<td>9th year ending on or after contribution</td>
<td>30%</td>
</tr>
<tr>
<td>10th year ending on or after contribution</td>
<td>20%</td>
</tr>
<tr>
<td>11th year ending on or after contribution</td>
<td>10%</td>
</tr>
<tr>
<td>12th year ending on or after contribution</td>
<td>10%</td>
</tr>
</tbody>
</table>

The donor cannot claim these additional deductions unless and to the extent the aggregate
of the amounts calculated pursuant to the sliding scale exceeds the amount of the donor’s
initial deduction. The opportunity to claim the additional deductions ends after the first
to occur of: (i) the ten-year anniversary of the gift; or (ii) the expiration of the legal life of the property.

ii. **Substantiation.** The Act has also increased charitable organizations’ reporting requirements with respect to donations of patents or other intellectual property. The new reporting requirements are designed to facilitate the additional deduction based on qualified income. To benefit from the additional deduction, the donor must inform the charitable donee at the time of the gift that the donor intends to treat the contribution as a gift subject to the additional deduction provisions. The charitable donee must then provide written substantiation to the donor of the amount of any qualified income resulting from the donated property. The charitable donee must also file an informational return with the I.R.S. that reports the donee’s income and other specified information relating to the contribution.
**DEDUCTIBILITY OF IN-KIND DONATIONS**

<table>
<thead>
<tr>
<th>Nature of Gift</th>
<th>Donor’s Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift Certificates donated from a store for the purchase of items in that store.</td>
<td>Deduction = Cost of Goods to Retailer</td>
</tr>
<tr>
<td>Store discounts on purchases of goods such as televisions, musical instruments, electronics, and bedroom furniture.</td>
<td>Deduction = Cost of Goods to Retailer minus amount paid for item by Charity.</td>
</tr>
<tr>
<td>Donations of property from a 3rd party.</td>
<td>Full Fair Market Value Deduction</td>
</tr>
<tr>
<td>Discounts on limousine service from limousine company.</td>
<td>Deduction Limited to Incidental Expenses Incurred in Rendering Service minus Amount Paid by Charity</td>
</tr>
<tr>
<td>Free limousine service from limousine company.</td>
<td>Deduction Limited to Incidental Expenses Incurred in Rendering Service</td>
</tr>
<tr>
<td>Donations of tickets to events from 3rd party.</td>
<td>Full Fair Market Value Deduction</td>
</tr>
<tr>
<td>Donations of tickets to events from the venue or promoter.</td>
<td>Deduction = Cost of Tickets to Venue or Promoter</td>
</tr>
<tr>
<td>Donation of services from service provider (i.e., haircut, spa treatment, personal training, lighting/sound).</td>
<td>Deduction Limited to Incidental Expenses Incurred in Rendering Service</td>
</tr>
</tbody>
</table>

*Reminder:* If a company is concerned that their charitable contribution deduction will be limited, you may ask them to explore with their tax advisor whether their contribution would be deductible as a business expense under Code Section 162.
FORM 8283 (Noncash Charitable Contributions)
REPORTING REQUIREMENTS

<table>
<thead>
<tr>
<th>Donated Property</th>
<th>Appraisal Req’d</th>
<th>Form 8283 Filed</th>
<th>Summary Appraisal</th>
<th>Partial Summary</th>
<th>Attach Appraisal</th>
<th>Donee Reporting*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 or less</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$501 - $5,000</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Over $5,000</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Closely held stock ($501 - $10,000)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Closely held stock over $10,000</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Artwork valued over $20,000</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

* (Excludes publicly traded securities, intellectual property, inventory, and vehicles sold without material intervening use or improvement)

** If disposed of, will only have to file Form 8282 (Tattletale Form) when Charity was required to complete the Donee Acknowledgement portion of Form 8283 and the contributed property is disposed of within two years of its receipt.
<table>
<thead>
<tr>
<th>Value of Benefits Provided</th>
<th>Written Acknowledgment Required</th>
<th>Written Acknowledgment Advisable</th>
<th>Donor’s Gift Deductible In Part or In Full</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal Lesser of:</td>
<td>No</td>
<td>Yes</td>
<td>In Full</td>
</tr>
<tr>
<td>• 2% of Donor’s Contribution; or</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• $97\textsuperscript{19}</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair market value of benefits provided to donor amount to more than $9.70\textsuperscript{20}</td>
<td>Yes</td>
<td>Yes</td>
<td>In Part</td>
</tr>
<tr>
<td>Benefits Amount to “Low Cost Article”:</td>
<td>No</td>
<td>Yes</td>
<td>In Full</td>
</tr>
<tr>
<td>• Donor’s Gift is $48.50\textsuperscript{21} or more and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• all benefits provided during the year are less than $9.70\textsuperscript{22}</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{19} 2011 figure, indexed for inflation, See Rev. Proc. 2011-12.
\textsuperscript{20} \textit{Id.}
\textsuperscript{21} \textit{Id.}
\textsuperscript{22} \textit{Id.}
### VEHICLE DONATION QUICK REFERENCE CHART

<table>
<thead>
<tr>
<th></th>
<th>Material Improvement/Intervening Use</th>
<th>Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Charitable Deduction</strong></td>
<td>Fair Market Value</td>
<td>Gross Proceeds of Sale</td>
</tr>
<tr>
<td><strong>Contemporaneous</strong></td>
<td>30 days of Contribution</td>
<td>30 days of Sale</td>
</tr>
<tr>
<td><strong>Acknowledgement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Special Contents of</strong></td>
<td>Certification:</td>
<td>Certification:</td>
</tr>
<tr>
<td><strong>Acknowledgement</strong></td>
<td>• stating intended use or material</td>
<td>• stating vehicle was sold in arm’s length</td>
</tr>
<tr>
<td></td>
<td>improvement and duration of use; and</td>
<td>transaction;</td>
</tr>
<tr>
<td></td>
<td>• vehicle will not be transferred in</td>
<td>• providing gross proceeds of sale; and</td>
</tr>
<tr>
<td></td>
<td>exchange for money, property or</td>
<td>• statement that the deductible amount</td>
</tr>
<tr>
<td></td>
<td>services prior to completion of</td>
<td>may not exceed the gross</td>
</tr>
<tr>
<td></td>
<td>intended use or improvement.</td>
<td>proceeds of the sale.</td>
</tr>
<tr>
<td><strong>Penalties</strong></td>
<td>The Greater of:</td>
<td>Greater of:</td>
</tr>
<tr>
<td></td>
<td>• the product of the highest rate of</td>
<td>• the product of the highest rate of tax</td>
</tr>
<tr>
<td></td>
<td>tax specified in Code Section 1 and</td>
<td>specified in Code Section 1 and</td>
</tr>
<tr>
<td></td>
<td>• the claimed value of the vehicle</td>
<td>• the claimed value of the vehicle; or</td>
</tr>
<tr>
<td></td>
<td>or $5,000.</td>
<td>• the gross proceeds from the sale of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>vehicle.</td>
</tr>
</tbody>
</table>
GENERAL TAX RECEIPT

[1] Charity’s Name
[2] Charity’s Address

******************************************************************************

TAX RECORD RECEIPT

The following information is provided to you in compliance with Sections 170(f)(8) and 6115 of the Internal Revenue Code and should be retained by you for purposes of substantiating a charitable contribution deduction on your Federal income tax return.

1. Name and address of Donor:
   
   2. Amount of donated cash or description of the donated property:

   3. Date of donation:

   4. The Donor did ____ did not ____ receive any goods or services in return for this donation (quid pro quo benefit).

   5. If the Donor did receive goods or services in return for this donation, the estimated value of the benefit provided to the Donor: ___________

[1] [2]

By: __________________________ Title: __________________ Date: __________________

The Internal Revenue Code provides that the amount of your contribution that is deductible for Federal income tax purposes is limited to the amount of money or value of any property contributed by you (subject to certain limitations specified in IRC section 170) minus the value of the goods or services [1] provides to you in exchange (the value, if any, specified in section 5, above).

Please be advised that the value of services provided or the “use of” property provided are appreciated by [1], but are not deductible contributions under the Internal Revenue Code.
IN-KIND DONATION - NO BENEFITS PROVIDED

(This is the proper acknowledgment for donations of in-kind contributions of goods to be auctioned).

[1] Donor’s Name
[2] Donor’s Address
[3] Description of Gift
[4] Date of Donation
[5] Signer

**************************************************************************************

DATE

[1]
[2]

Dear [1]:

On behalf of__________, we would like to extend a heartfelt thank you for your in-kind donation of [3] on [4].

__________ is a non-profit organization dedicated to [insert mission statement].

Thank you for returning the enclosed in-kind donation form. For your tax records, _________ is a 501(c)(3) public charity and did not provide any goods or services in return for this donation. Therefore, you may claim a deduction for the value of any cash and property donated to the organization. However, please note that the value of services provided or the “use of” property provided are appreciated by _________, but are not deductible contributions under the Internal Revenue Code.

Thank you so much for your generosity.

Best regards,

[5]
IN-KIND DONATION - BENEFITS PROVIDED

[1] Donor’s Name
[2] Donor’s Address
[3] Description of Gift
[4] Date of Donation
[5] Description of Quid Pro Quo Gift
[6] Value of Quid Pro Quo Gift
[7] Signer

DATE

Dear [1]:

On behalf of __________, we would like to extend a heartfelt thank you for your in-kind donation of [3] on [4].

__________ is a non-profit organization dedicated to [insert mission statement].

Thank you so much for returning the enclosed in-kind donation form. Enclosed is a copy for your records. For your tax records, __________ provided [5] in return for this donation. We estimate the fair market value of the benefits we provided in to you in consideration for [5] was [6]. We are a 501(c)(3) public charity; therefore, you may claim a deduction for the difference between the value of the cash and property donated to the organization and the value of the benefits you received.

Please be aware that the value of services provided or the “use of” property provided are appreciated by __________, but are not deductible contributions under the Internal Revenue Code.

Thank you so much for your generosity.

Best regards,

[7]
PURCHASE OF TICKETS TO CHARITABLE BENEFIT

[1]  Donor’s Name
[2]  Donor’s Address
[3]  Number of Tickets Purchased
[4]  Name of Event
[5]  Date of Donation
[7]  Signer

******************************************************************************

DATE

[1]
[2]

Dear [1]:

On behalf of __________, we would like to extend a heartfelt thank you for your purchase of [3] tickets to [4] on [5].

__________ is a non-profit organization dedicated to [insert mission statement].

For your tax records, we estimate the fair market value of the meal and entertainment furnished in connection with the event was [6] per person. We are a 501(c)(3) public charity; therefore, you may claim a deduction for the difference between the value of the cash and property donated to the organization and the value of the benefits you received.

Thank you so much for your generosity.

Best regards,

[7]
CASH DONATION - NO BENEFITS PROVIDED

[1] Donor’s Name
[2] Donor’s Address
[4] Date of Donation
[5] Signer

*******************************************************************************

DATE

[1]
[2]

Dear [1]:

On behalf of __________, we would like to extend a heartfelt thank you for your donation of [3] on [4].

The __________ is a non-profit organization dedicated to [insert mission statement].

For your tax records, __________ is a 501(c)(3) public charity. Your gift will be devoted to our organizational purposes and we will not provide benefits or services required to be valued in consideration for this gift. Therefore, you may claim a charitable deduction for the full value of cash given to __________.

Thank you so much for your generosity.

Best regards,

[5]
Dear [1]:

On behalf of __________, we would like to extend a heartfelt thank you for your donation of [3] on [4].

The __________ is a non-profit organization dedicated to [insert mission statement].

For your tax records, we provided [5] to you in consideration for this gift. We estimate the fair market value of [5] was [6]. __________ is a 501(c)(3) public charity; therefore, you may claim a donation deduction for the difference between the cash and property given to __________ and the value of the benefits you received. Thank you so much for your generosity.

Best regards,

[7]
Dear [1]:

On behalf of __________, we would like to extend a heartfelt thank you for your purchase of item # [3] for [4] on [5]. We estimate the fair market value of this item to be [6].

The __________ is a non-profit organization dedicated to [insert mission statement].

For your tax records, __________ is a 501(c)(3) public charity; therefore, you may claim a donation deduction for the difference between the cash you paid less the value of the item, or [7].

Thank you so much for your generosity.

Best regards,

[8]