

# Can Individual Make Charitable Contributions to Townships and Receive A Tax Deduction?

- Yes, contributions to township are deductible on an individual's personal income tax, if they are used as “public purpose.” –Don’t NEED to be a 501(c) (3)
- The amount deductible is subject to certain limitations based on an individual's adjusted gross income. It is recommended that township officials refrain from giving tax advice, but rather refer donors to IRS Publication 526 for guidance. Information is available on the IRS Web site at: [www.irs.gov/pub/irs-pdf/p526.pdf](http://www.irs.gov/pub/irs-pdf/p526.pdf)

# Documentation of the Gift

- For cash contributions over \$250, which includes cash payments, checks, credit cards and payroll withholding, the following documentation must be provided by the township:
- Written documentation of the gift-the amount of contribution and whether the township gave the donor any goods or services as a result of the contribution.
- Receipt on or before the earlier of the date the donor files the return for the year.

# Documentation of the Non Cash Property Gifts

Contributions valued at less than \$250

- The township must supply the donor with the following information:
- The name of the charitable organization (Township)
- The date and location of the charitable contribution, and
- A reasonably detailed description of the property.
- A letter or other written communication from the township acknowledging receipt of the contribution and containing the above information serves as a receipt.

# Documentation of the Property Gifts

## Contributions valued at least \$250 but not more than \$500

- Acknowledgement must be written and include the following: a description, but not necessarily the value, of the property contributed; whether the township provided any goods or services to the donor as a result of the contribution; and a description and good faith estimate of the value of any goods or services described.
- The donor must receive the acknowledgement on or before the earlier of the date the donor files the return for the year of the contribution, or the due date, including extensions, for filing the return The date you file your return for the year you make the contribution.

# Documentation of the Property Gifts

Gifts over \$500 but less than \$5,000

- The donor must receive an acknowledgement from the township with the identical information for contributions valued at least \$250 but not more than \$500, and maintain certain records on how they acquired the property, the date they acquired the property and their tax basis.

# Documentation of the Property Gifts- OVER \$5,000

- Generally donor required to obtain a written appraisal
- The Township will be required to sign an acknowledgement of the gift on the donor's Tax Form 8283. This acknowledgement also requires an affirmation by the township that it does not intend to use the property for an “unrelated use,” and that it will file the Informational Return 8282, Donee Information Return, if it disposes of the property within three years of the date of receipt of the gifts.