

Information on Tax Laws - Charitable Contributions

*PROOF
REQUIRED
FOR ANY ONE
PAYMENT OF
\$250 AND UP*

New federal tax laws, effective January 1, 1994, state that donors must have proof from the charity to which they contributed any separate payment of \$250 or more if the donation is to qualify as a tax deduction. (This law therefore applies to those donors who itemize charitable deductions for IRS tax purposes.)

*APPLIES ONLY
TO EACH
PAYMENT, NOT
TOTAL
PAYROLL
DEDUCTION
PLEDGE*

In regard to payroll deduction, the deduction from each pay check is regarded as a separate contribution. That is, a payroll deduction gift of more than \$250 from a single paycheck would be included under the need for documentation from the charity, under the regulations. A payroll deduction gift of less than \$250 from a single paycheck, even if the grand total deducted by the end of the year is \$250 or more, would not require documentation from the charity, under the regulation.

*LOCAL UNITED
WAY DOES NOT
PROVIDE
GOODS OR
SERVICES IN
EXCHANGE
FOR
DONATIONS*

The requirement for proof includes timely written substantiation from the charity of any good faith estimate of the value of any good or service that has been provided to the contributor in exchange for making a contribution. United Way of Monongalia and Preston Counties does not provide goods or services in exchange for contributions. If the individual's employer is providing incentives for gifts, it would be advisable to check with a tax accountant for information about what may or may not be claimed on a tax return.

*REQUIRED
RECEIPTS WILL
BE MAILED*

United Way of Monongalia and Preston Counties provides receipt letters for cash contributions and direct bill payments of \$250 or more. It is customary to mail receipts within four weeks of the completion of a company campaign. Donors should contact the United Way office directly (304-296-7525) if a required receipt has not been provided.