

## CHARITABLE CONTRIBUTIONS

### EARMARKED FOR AN INDIVIDUAL

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In 2012 a member of Congress asked the IRS for an opinion regarding a question submitted by a constituent. The question was whether contributions to a church's scholarship fund are tax-deductible if the donor suggests that the church use the contributions to pay for the college tuition costs of the pastor's daughter. The IRS responded as follows:

An individual can take a deduction for a charitable contribution or gift to or for the use of a charitable organization, including a church.... However, if a donor earmarks the contribution to a particular individual, the donor must treat it as being a gift to the designated individual and not as a tax-deductible contribution. Various courts have ruled that contributions to a church fund for missionaries are not deductible if there is a commitment or understanding that the church will use the contributions only for a particular individual. The law allows a deduction only if the church has full control of the donated funds and discretion as to their use.