

TABLE 8-5

## SUBSTANTIATION REQUIREMENTS FOR CHARITABLE CONTRIBUTIONS

(continued)

RU LE	FORM OF CONTRIB UTION	SUBSTANTIATION REQUIREMENTS
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TABLE 8-5

## SUBSTANTIATION REQUIREMENTS FOR CHARITABLE CONTRIBUTIONS

(Note: More than one rule may apply to a particular contribution. Follow each rule that applies.)

RU LE	FORM OF CONTRIB UTION	SUBSTANTIATION REQUIREMENTS
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| 1 | Cash contributions                                | All cash contributions, regardless of amount, must be substantiated with (1) either a bank record (such as a canceled check) or a written communication from the charity (2) showing the charity's name, date of the contribution, and the amount of the contribution. <i>These requirements may not be satisfied with any other written records.</i>   |
| 2 | Individual cash contributions of \$250 or more    | Donors will not be allowed a tax deduction unless they receive a written acknowledgment from the church or charity that satisfies the following requirements: (1) the receipt must be in writing; (2) the receipt must identify the donor by name (a Social Security number is not required); (3) the receipt may combine all contributions, even those that are for \$250 or more, in a single amount, or it can list each contribution separately to aid donors in resolving discrepancies; (4) the receipt must state whether the church provided any goods or services to the donor in exchange for the contribution, and if so, the receipt must include a good faith estimate of the value of those goods or services; (5) if the church provides no goods or services to a donor in exchange for a contribution, or if the only goods or services the church provides are intangible religious benefits, the receipt must contain a statement to that effect; (6) the written acknowledgment must be received by the donor on or before the earlier of the following two dates: the date the donor files a tax return claiming a deduction for the contribution, or the due date (including extensions) for filing the return. |
| 3 | Quid pro quo cash contributions of \$75 or less   | Quid pro quo contributions (part contribution and part payment for goods or services received in exchange) of less than \$75 are deductible to the extent they exceed the value of the goods or services provided in exchange.  |
| 4 | Quid pro quo cash contributions of more than \$75 | In addition to the requirements of Rule 2 (if applicable), the church must provide a written statement to the donor that (1) informs the donor that the amount of the contribution that is tax-deductible is limited to the excess of the amount of   |

cash contributed by the donor over the value of any goods or services provided by the church in return; and (2) provides the donor with a good faith estimate of the value of the goods or services furnished to the donor.

**Note:** For 2025, a written statement need not be issued if only token goods or services are provided to the donor having a value of \$136 or 2 percent of the amount of the contribution, whichever is less, or if the donor receives solely an intangible religious benefit that generally is not sold in a commercial context outside the donative context.

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| 5  | Individual contributions of noncash property valued at less than \$250   | <p><b>Church receipt.</b> Substantiate with a receipt that lists the donor's name, the church's name, the date and location of the contribution, and a reasonably detailed description (but not value) of the property.</p> <p><b>Donor's records.</b> The income tax regulations require that all donors of noncash property maintain reliable written records with respect to each item of donated property that include the following information: (1) name and address of the church; (2) date and location of contribution; (3) detailed description of property; (4) fair market value of property at time of contribution, including description of how value was determined; (5) cost or other basis of property; (6) if less than the donor's entire interest in property is donated during the year, an explanation of the total amount claimed as a deduction in the current year; and (7) the terms of any agreement between the donor and church relating to the use, sale, or other disposition of the property.</p>  |
| 6  | Individual contributions of noncash property valued at \$250 to \$500  | <p><b>Church receipt.</b> The church's receipt must contain the same information as under Rule 5 ("church receipt"). It must also meet these tests: (1) It must be written. (2) It must include (a) a description (but not necessarily the value) of the donated property, (b) a statement of whether the church provided any goods or services as a result of the contribution (other than certain token items and membership benefits), and (c) a description and good faith estimate of the value of any goods or services described in (b). If the only benefit provided by the church was an intangible religious benefit (such as admission to a religious ceremony) that generally is not sold in a commercial transaction outside the donative context, the acknowledgment must say so and does not need to describe or estimate the value of the benefit. (3) The donor must receive the church's written acknowledgment on or before the earlier of (a) the date the donor files his or her tax return claiming the contribution or (b) the due date, including extensions, for filing the return.</p> <p><b>Donor's records.</b> IRS regulations specify that donors who make contributions of \$250 or more, but not more than \$500, are required to obtain a contemporaneous written acknowledgment from the donee charity and, in addition, maintain all of the donor records described under Rule 5 above.</p>  |
| 7  | Individual contributions of noncash property valued by the donor at \$500 to \$5,000                               | <p><b>Church receipt.</b> See Rule 6.</p> <p><b>Donor's records.</b> Donors who claim a deduction over \$500 but not over \$5,000 for a noncash charitable contribution must have the acknowledgment and written records described under Rule 6, and their records must also include (1) a description of how the donor acquired the donated property, for example, by purchase, gift, bequest, inheritance, or exchange; (2) the approximate date the donor acquired the property; and (3) the cost or other basis, and any adjustments to the basis, of property held less than 12 months, and, if available, the cost or other basis of property held 12 months or more. This requirement, however, does not apply to publicly traded securities. In addition, a donor must complete the front side (Section A, Part I, and Part II if applicable) of IRS Form 8283 and enclose the completed form with the Form 1040 on which the charitable contribution is claimed.</p>   |
| 8  | Quid pro quo contributions of noncash property   | <p>The quid pro quo rules explained under Rules 3 and 4 apply to contributions of property as well.</p>   |
| 9  | Individual contributions of noncash property valued at more than \$5,000 (single items, or total of similar items) | <p><b>Church receipt.</b> See Rule 6.</p> <p><b>Donor's records.</b> In addition to complying with Rule 7, a donor must obtain a qualified appraisal of the donated property from a qualified appraiser and complete a qualified appraisal summary (Section B of Form 8283) and have the summary signed by the appraiser and a church representative; the completed Form 8283 is then enclosed with the Form 1040 on which the charitable contribution deduction is claimed.</p>  |
| 10 | Donations of (a) cars, boats, or planes; (b) stock; or (c) clothing and household items                            | <p><b>(a) Cars, boats, and planes (valued at more than \$500)</b></p> <p><b>Church sells vehicle with no significant use or alteration.</b> The church must (1) issue a written acknowledgment to the donor, within 30 days of the sale, containing the donor's name and Social Security number, date of contribution, vehicle identification number, date of sale, certification that the vehicle was sold in an arm's-length transaction, a statement of the gross proceeds from the sale, a statement that the deductible amount may not exceed the amount of the gross proceeds, and whether the church provided any goods or services in consideration of the donation (and a description and good faith estimate of the value of any such goods or services, or, if the goods or services consist solely of intangible religious benefits, a statement to that effect); and (2) submit the same information to the IRS by February 28 of the following year. IRS Form 1098-C must be used to submit the information to the IRS and may be used to provide the required information to the donor. The donor must complete IRS Form 8283, Section A.</p> <p><b>Church sells vehicle at a price significantly below fair market value (or gratuitously transferred) to needy individual in direct furtherance of its exempt purpose.</b> The church must (1) issue a written acknowledgment to the donor, within 30 days of the date of contribution, containing the donor's name and Social Security number, date of contribution, vehicle identification number, certification that the charity will sell the qualified vehicle to a needy individual at a price significantly below fair market value (or, if applicable, that it will gratuitously transfer the vehicle to a needy individual) and that the sale (or transfer) will be in direct furtherance of the charity's exempt purpose of relieving the poor and</p> |

distressed or the underprivileged who are in need of a means of transportation, and whether the church provided any goods or services in consideration of the donation (and a description and good faith estimate of the value of any such goods or services, or, if the goods or services consist solely of intangible religious benefits, a statement to that effect); and (2) submit the same information to the IRS by February 28 of the following year. IRS Form 1098-C must be used to submit the information to the IRS and may be used to provide the required information to the donor. The donor must complete IRS Form 8283, Section A.

**The church "significantly uses or materially improves" the car.** The church must (1) provide the donor with a written acknowledgment, within 30 days of the date of the contribution, containing the donor's name and Social Security number, date of contribution, vehicle identification number, certification and detailed description of the intended significant intervening use by the charity and the intended duration of the use or the intended material improvement by the charity, and a certification that the qualified vehicle will not be sold before completion of the use or improvement, and whether the church provided any goods or services in consideration of the donation (and a description and good faith estimate of the value of any such goods or services, or, if the goods or services consist solely of intangible religious benefits, a statement to that effect); and (2) submit the same information to the IRS by February 28 of the following year. IRS Form 1098-C must be used to submit the information to the IRS and may be used to provide the required information to the donor.

*Note: In addition to the above requirements, a qualified appraisal and qualified appraisal summary (Form 8283, Section B—see Rule 9) are required for a deduction in excess of \$5,000 for a qualified vehicle if the deduction is not limited to gross proceeds from the sale of the vehicle. But Form 8283, Section A, need not be completed in such a case.*

10 Donations of (a) cars, boats, or planes; (b) stock; or (c) clothing and household items  
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**(b) Stock**

Gifts of stock are subject to special substantiation rules. Note the following:

- A church is not an appraiser and should never provide donors with a value for donated stock. Instead, provide a receipt that acknowledges the date of gift, the donor's name, the number of shares given, and the name of the company.
- A donor who gives publicly traded stock valued at more than \$5,000 is not required to obtain a qualified appraisal or complete a qualified appraisal summary (Section B of Form 8283). A donor who gives publicly traded stock valued at more than \$500 must complete Section A, Part 1, of Form 8283. This requirement applies even if the stock is valued at more than \$5,000 (in which case the stock is exempt from the qualified appraisal requirement).
- A donor who gives nonpublicly traded stock valued at \$10,000 or less is not required to obtain a qualified appraisal and complete a qualified appraisal summary (Form 8283). However, donors who give nonpublicly traded stock valued at more than \$10,000 must obtain a qualified appraisal of the stock no earlier than 60 days prior to the date of the gift, and they must also complete a qualified appraisal summary (IRS Form 8283) that summarizes the qualified appraisal and is enclosed with the tax return on which the deduction is claimed. Failure to comply with these requirements can lead to a loss of any charitable contribution deduction.

**(c) Clothing and household items**

No deduction is allowed for a contribution of clothing or household items unless the clothing or household items are in "good used condition or better." The Treasury Department is authorized to deny (by regulation) a deduction for any contribution of clothing or a household item that has minimal monetary value, such as used socks and used undergarments.

A deduction may be allowed for a charitable contribution of an item of clothing or a household item not in good used condition or better only if the amount claimed for the item is more than \$500 and the taxpayer includes with his or her tax return a qualified appraisal with respect to the property. Household items include furniture, furnishings, electronics, appliances, linens, and other similar items. Food, paintings, antiques, and other objects of art, jewelry and gems, and collections are excluded from the provision.

If the donated item is in good used condition or better and a deduction in excess of \$500 is claimed, the taxpayer must file a completed Form 8283 (Section A or B, depending on the type of contribution and claimed amount), but a qualified appraisal is required only if the claimed contribution amount exceeds \$5,000.

If the donor claims a deduction of less than \$250, the donor must obtain a receipt from the church or charity or maintain reliable written records of the contribution. A reliable written record for a contribution of clothing or a household item must include a description of the condition of the item. If the donor claims a deduction of \$250 or more, the donor must obtain from the church or charity a receipt that meets the requirements of a contemporaneous written acknowledgment (see Rule 6, above).