



TYPES OF CHARITABLE DONATION: A TAX DEDUCTION GUIDE FOR 2019

TYPE OF DONATION	DESCRIPTION	BENEFITS AND CAVEATS
Cash	Cash, check, or credit card	<ul style="list-style-type: none">• Cash gifts below \$250 should be supported by a canceled check, credit card receipt, or written communication from the charity.• Cash gifts of \$250 or more must be substantiated by the charity, typically with a donor acknowledgment letter.• If a donation is made in exchange for college athletic event seating rights, you lose the deduction.
Personal property	Clothing, household goods, artwork, automobiles, equipment, etc.	<ul style="list-style-type: none">• You can generally deduct the property's fair market value.• Items valued at less than \$500 are only deductible if they are in "good condition or better."• For donations exceeding \$5,000, you must get an independent appraisal.
Real property	Land or buildings	<ul style="list-style-type: none">• You can generally deduct the property's fair market value.• You must get an independent appraisal.
Temporary use of property	The right to use your property temporarily, e.g., use of vacation home for a charitable event	<ul style="list-style-type: none">• Not deductible.
Property to be sold	Donated property that will be auctioned off or sold by the charity	<ul style="list-style-type: none">• You can only deduct the basis you have in that property.• Certain vehicle sales are an exception. If the vehicle is sold within a certain time period, you can deduct the amount the charity receives from the sale.
Stock	Publicly traded stock	<ul style="list-style-type: none">• Donations of appreciated stock are valued at their fair market value.• By donating appreciated stock, you avoid being taxed on the capital gains you would have recognized had you sold the stock yourself. You also avoid paying the net investment income tax that would have been attributed to that gain.• Donating depreciated stock will not be beneficial. Instead, sell your stock, take the capital loss on your tax return, and donate the proceeds in cash.



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Services	Volunteer work, professional and consulting services, etc.	<ul style="list-style-type: none">• The fair market value of time spent performing a service is <i>not</i> deductible.• You <i>can</i> deduct out-of-pocket expenses incurred to perform that service (hotel costs, tolls, etc.) and receive a 14-cent deduction for every charitable mile driven.
Ordinary income property	Stocks or bonds held for one year or less, business inventory, etc.	<ul style="list-style-type: none">• You can take a deduction for ordinary income property that you donate based on the lesser of the property's fair market value or tax basis.
Charitable IRA rollover	Contributions made directly from your IRA	<ul style="list-style-type: none">• Charitable IRA rollovers are not deductible, but by directing your IRA to donate to charity, you will not have to pay taxes on those IRA distributions.• IRA contributions can help satisfy your required minimum distributions.• IRA contributions will save you taxes even if you do not itemize.• IRA contributions can help satisfy your IRA required minimum distribution.• You must be 70.5 or older.• You can only donate up to \$100,000 each year from your IRA.

▶ If you would like to review your charitable contributions strategy, contact your CRI advisor today.