



## Tax Substantiation

United Way of Berks County is committed to providing the information our donors need to make informed decisions regarding their charitable contributions. We want to make sure that all of our individual donors and corporate partners are aware of the tax laws that affect charitable gift substantiation. However, United Way of Berks County is not a tax advisor. As with any tax or financial information received, please contact your accountant or tax advisor to determine the income tax impact of your donation.

***Please note: the following information is only necessary for individuals who itemize their deductions on their federal tax return, NOT those who take the standard deduction.***

### IRS REQUIREMENTS FOR CHARITABLE GIFT SUBSTANTIATION:

- **Individuals who itemize their deductions on their federal tax return must have documentation that substantiates *all* contributions, regardless of the amount.** (The previous law only required substantiation for contributions of \$250 and above.)
- **Substantiation must include the following, based upon the donor's payment type:**

**Gifts of check, credit card or cash:** Donors need to retain a bank record (cancelled check or bank statement), credit card statement OR obtain written acknowledgement from the charitable organization showing the name of the charity, date of payment and amount of contribution. In early February of each year, United Way of Berks County provides tax receipts to all donors who made aggregate payments of \$250 or more to United Way of Berks County in the prior calendar year through any method other than payroll deduction or securities.

**Gifts of securities:** Donors need to retain a broker record showing the name of the charity and the date of the gift OR obtain written acknowledgement from the charitable organization showing the date and the exact type of contribution (e.g.: 5 shares of ABC stock.). United Way of Berks County provides a tax receipt to all donors who give securities within 60 days of donation.

**Gifts of payroll deduction:** Donors need to retain the following TWO documents: 1) a pay stub OR other document furnished by the employer that indicates the amount withheld during the tax year for payment to charitable organization; AND 2) a copy of the pledge form you completed.

Under the law, **continuous/rollover givers** must provide the same documentation as other tax payers to substantiate donations for tax purposes (#1 and #2 above).