

Tax Documentation for Charitable Gifts



What do Donors Need?

Check Donation:

- › A canceled check is sufficient proof for donations of less than \$250 because it contains the three points of information required by the IRS (name of the charity, date of the contribution, and amount of the contribution).
- › For donations of \$250 or more, the donor also needs a pledge card, online gift receipt, or other documentation that shows the name of the charity, date of the contribution and amount of the contribution.

Payroll Deduction Donations:

- › Donors need a pay stub, W-2 or other document furnished by the employer that indicates the amount withheld during the tax year for payment to the donee organization.

AND

- › A pledge card, online gift receipt, or other document that shows the name of the charity, date of the contribution, and amount of the contribution.

The majority of companies do not provide United Way with sufficient electronic detail with payments, thus United Way is unable to provide a receipt for payroll deductions. In that case, the company's payroll office will need to provide employees with a copy of their pledge form to substantiate their charitable gift.

What You Need to Know Concerning Payroll Deductions?

If you are a Donor:

- › Retain a copy of your pledge form or online gift receipt to substantiate your charitable donation.
- › If you lose your pledge form or online gift receipt, you will NOT be able to claim tax benefits unless:
 - › your payroll office can provide you with a copy of your pledge form,
 - › you can obtain an online gift receipt for an electronic donation, or
 - › United Way has received sufficient detail of your payroll payments to be able to issue a receipt.

If you are the company's Payroll contact:

When you process employee payroll deductions for paper pledge campaigns, keep employee pledge forms on file as long as necessary, given that employees may submit tax returns well after the April 15 filing deadline.

If you are the company's Employee Campaign Leader:

- › Be aware of how this affects donors at your company and where you will direct inquiries as they occur.
- › Help educate employees about the need to retain a copy of their pledge form.
- › If your company uses an online giving tool*, include this information on the tool and also send a gift confirmation e-mail advising employees to print and save for tax purposes. Posting this information on your intranet is also beneficial.

United Way is happy to respond to donor requests for receipts if (1) United Way processed that company's campaign donations and (2) sufficient electronic donor detail accompanies payroll deduction payments from the company.

If you have additional questions about tax documentation for charitable gifts, please contact Katey Fasullo at 512.225.0378 or Katey.Fasullo@uwatx.org