

Information regarding non-cash donations to Bethel Church

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This document is intended to provide general information only, and is not intended to provide donors with specific tax or legal advice. You should consult your CPA or a qualified tax advisor prior to claiming a deduction for non-cash donations.

Non-cash donations to Bethel Church come in many forms. Many of these donations could qualify as a tax deduction for a charitable contribution on donor tax returns, though the donor must itemize their deductions (rather than take the standard deduction) in order to receive a tax benefit in most cases. The list below covers many of the types of non-cash donations that could qualify as an itemized deduction:

- Investments (stock, mutual funds, bonds, etc.)
- New items purchased in support of a ministry, event or facility
- Used items donated in support of a ministry, event or facility
- Unreimbursed personal expenses incurred in support of a ministry, event, or mission trip

In all cases, you must reduce the amount of contribution claimed by the amount of any personal benefit (goods or services) that you receive in connection to the donation.

Donations of investments (stocks, mutual funds, bonds, etc.)

For the most tax efficient donation of investments, you should contact Bethel's Treasurer for instructions on how to make a "custodian to custodian" direct transfer of the investments, rather than selling the investments and donating cash. In order to issue a letter acknowledging receipt of a direct transfer of investments, the Treasurer will need the following information:

- Your legal name as it appears on your tax return
- Your mailing address, phone number and email address
- The date of your donation
- A detailed list of the stock or fund names, and the number of shares donated

You will receive a letter (hard copy or via email) from the Treasurer confirming your donation. The letter will not assign a dollar value to the donation, it will only restate the details that you have provided in the list shown above. It is up to the donor to maintain sufficient information and support (market value on the day of transfer, etc.) to substantiate the amount claimed as a deduction if questioned by the IRS.

Donation of personal services

THE VALUE OF YOUR PERSONAL SERVICES OR LABOR CANNOT BE DEDUCTED AS A CHARITABLE CONTRIBUTION FOR TAX PURPOSES.

For business owners wishing to take a business deduction for services provided to Bethel, you must invoice Bethel for the services, and then donate the proceeds received from Bethel back to the church as a separate donation.

Non-cash donations valued under \$250 (other than investments)

If your donation is valued at less than \$250, you are not required to have a donation statement from Bethel's Treasurer in order to claim this donation on your tax return, but you can request one (see request process in next section). However, you do need to keep a detailed record (and receipts if applicable) of the following:

- Date(s) of donation(s)
- Condition of donated items (i.e. new or used)
- Description of what was donated

Note: this generally applies per donation, not per year.

Non-cash donations valued at \$250 or higher (other than investments)

If you make a donation at any point, and you plan to claim the donation as a deduction on your tax return for \$250 or more, you need to request a written statement from Bethel's Treasurer confirming the donation. You can request this statement by emailing the Treasurer (treasurer@bethel.ch) and providing the following information:

- Your legal name as it appears on your tax return
- Your mailing address, phone number and email address
- The date of your donation
- A detailed list of what was donated (noting if items were new or used)
- The name of a Bethel staff member who can confirm the donation
- If you received any goods or services in return for your donation

You will receive a letter (hard copy or via email) from the Treasurer confirming your donation. The letter will not assign a dollar value to your donation, it will only restate the details that you have provided. It is up to you to maintain sufficient information and support (receipts, etc.) to substantiate the amount claimed as a deduction if questioned by the IRS. **When you claim more than \$500 of non-cash donations in total for the year, you will also be required to file IRS form 8283 with your tax return.**

Donations of motor vehicles

Vehicle donations have additional rules imposed by the IRS. If you plan to donate a vehicle, please contact the Treasurer for specific guidance. (treasurer@bethel.ch).

Non-Cash donations valued at \$5,000 or higher (other than investments)

For non-cash donations valued at \$5,000 or more, you must obtain a qualified independent appraisal for the property prior to the date of the donation. Additionally, you must have **IRS form 8283 signed by both the appraiser and Bethel's Treasurer**, and this form must be submitted with your tax return. The actual appraisal doesn't have to be submitted with your tax return unless the value exceeds \$500,000, but you should retain the original appraisal in your records for over 3 years.



For questions about non-cash donations that are not covered in this document, please contact Bethel's Treasurer via email at treasurer@bethel.ch