



American
Brain Tumor
Association®

Providing and pursuing answers™

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Regarding the Deduction of Your Charitable Contribution:

Donations made to qualified organizations, like the American Brain Tumor Association, may help reduce the amount of tax you pay. We have compiled the following eight tips to help ensure your contributions pay off on your tax return, per the year 2012 rules and regulations. As policies may change over time, we encourage you to speak with your accountant and/or tax preparer for the most up to date information:

1. If your goal is a legitimate tax deduction, then you must be giving to a qualified organization, such as the American Brain Tumor Association. You cannot deduct contributions made to specific individuals, political organizations or candidates.
2. To deduct a charitable contribution, you must file IRS Form 1040 and itemize deductions on Schedule A. If your total deduction for all noncash contributions for the year is more than \$500, you must complete and attach IRS Form 8283, Noncash Charitable Contributions, to your return.
3. If you receive a benefit because of your contribution—such as tickets or registration to an event, merchandise, or other goods and services—then you can deduct only the amount that exceeds the fair market value of any benefit you received by making the donation (for example, the value of your meal or round of golf at a charity event).
4. Donations of stock or other noncash property are usually valued at the fair market value of the property. Clothing and household items must generally be in good used condition or better to be deductible. Special rules apply to vehicle donations.
5. Fair market value is generally the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.
6. Regardless of the amount, to deduct a contribution of cash, check or other monetary gift, you must maintain a bank record, payroll deduction records or a written communication from the organization containing the name of the organization and the date and amount of the contribution (See our Gift Receipting statement on the Financial Information page of www.abta.org). For text message donations, a telephone bill meets the record-keeping requirement if it shows the name of the receiving organization, the date of the contribution and the amount given.
7. To claim a deduction for any contribution of \$250 or more (including contributions of cash or property), you must obtain and keep in your records a contemporaneous written acknowledgment from the qualified organization indicating the amount of the cash and a

description of any property contributed (See our Gift Receipting statement on the Financial Information page of www.abta.org). The acknowledgment must say whether the organization provided any goods or services in exchange for the gift and, if so, must provide a description and a good faith estimate of the value of those goods or services. One document from the qualified organization may satisfy both the written communication requirement for monetary gifts and the contemporaneous written acknowledgment requirement for all contributions of \$250 or more.

8. Taxpayers donating in kind—an item or a group of similar items—valued at more than \$5,000 must also complete Section B of IRS Form 8283, which generally requires an appraisal by a qualified appraiser.