

All About Charities

Many people donate to charities in order to take advantage of income tax deductions at the end of the year. However, it is important to understand what charities are eligible for these income tax deductions so that you do not miss out on any income tax deductions that you can take. It is also important to have a knowledge of what documentations you need to have in order to take the income tax deductions from your donations to charities.

Charities can include things such as school fundraisers, church fundraisers, thrift store donations, donations to homeless shelters, donations to food assistance programs such as Harvesters, and donations to other charities such as hospital programs and women's shelters all qualify as charities for the purpose of income tax deductions. However, there is documentation you need in order to legally claim donations to these charities as income tax deductions.

Purchases from school fundraisers are usually accompanied by some type of receipt or packing slip. Use this documentation to claim your income tax deduction for these charities. Purchases and contributions to church fundraisers do not typically come with any form of receipt, even though that receipt is necessary in order to claim the donation to the charities as a legal income tax deduction. Your best bet is to ask the church charities to provide you with some type of written record, even on a piece of regular notebook paper, indicated the amount of the donation. If your donation to these charities is in the form of property or items rather than money, you can estimate the reasonable value of the item and include that on the receipts from the charities. This ensures that you have a reasonable and provable amount to deduct from the donations to the charities for your income tax return.

Other types of charities typically provide receipts for donations to the charities. If you donate items or property such as clothing, furniture, vehicles, toys, or food you can estimate the value of the donation and receive a receipt from the charities based on that amount that also lists what items were donated, then use that receipt for your income tax deduction. If you purchase something new to donate, you can keep your purchase receipt signed by someone from the charities, and use that as a record of your contribution for your income tax deduction.

Charities can always use your help. Deductions from charities does not get you any extra money on your income tax return above and beyond what you spend. However, these charities can use your valuable help, and with income tax deductions for contributions to charities, you get everything you pay or give to the charities back on your income tax return. So in short, you can give your help to the different charities without it costing you a dime! No risk, you help others, and you aren't out any money. It's a win-win situation for you and for the charities!

Donate to your favorite charity today!