

1. What is a 501 (c)(3) organization?

For charities, this means that they can accept contributions and offer donors a tax deduction for their gifts. For donors like you, this means your contributions are fully tax-deductible to the amount allowed by law.

2. What is my tax benefit for charitable contributions?

The instructions for the 1040 Form will help determine the exact amount of your deduction, which will vary depending on your tax bracket whether you file as a single person or jointly. Check with your tax advisor for details.

3. What is the definition of a charitable organization?

A charitable organization is generally defined as any nonprofit organization that is incorporated and identified by the IRS as a 501 (c)(3) organization. These organizations have been given tax-exempt status and can accept contributions. **NOTE:** Not all donations to nonprofits can be claimed as charitable deductions, even if the organization is registered as a nonprofit. Check with the IRS on whether or not an organization can receive charitable deductions.

4. How can I take a tax deduction for my donation?

To claim a tax deduction, you will need to fill out a 1040 Form, which is available through the IRS, and itemize your deductions on Schedule A. If you fill out the short form or take standard deductions.

5. Do I need a receipt for donations I make?

The IRS currently doesn't require receipts for cash donations under \$250, but you should keep donation information on file. Cash contributions of \$250 and over require and acknowledgement that must be sent to the IRS with your tax returns. BCF will send you a receipt shortly after receiving your donation.

6. Can I take a deduction for volunteering my time and services?

You cannot deduct the value of time or services to a charitable organization, but you can deduct any hard costs associated with that volunteering, such as the gas or bus fare it costs to get there. For example, if you volunteer in a charitable hospital and have to wear a uniform, you can deduct the cost of buying and cleaning the uniform. Your friends at the IRS will let you deduct any out-of-pocket expenses you acquire in the course of volunteering.