



2010 United Way of Olmsted County Tax Receipt Information

Items for which tax receipts will automatically be issued by United Way

Cash, check and credit card payments of \$250 or more: *(see special event donations below)*

- Donation payments made directly to United Way of Olmsted County, Inc. by cash, check, electronic funds transfer and credit card which total \$250 or more in a calendar year will be issued a tax receipt for the sum of payments given in that calendar year. These receipts will be mailed by January 31 of the following year.

Stock and Securities:

- Donors must notify United Way when they transfer stock to a United Way brokerage account. (Do we want to let them know where our account is?) Privacy laws do not allow brokerage firms to release names to United Way without specific donor instruction. For more information, please contact Bonnie Schultz at bonnies@uwolmsted.org or (507) 287-2000, or visit United Way's website at www.uwolmsted.org
- United Way will issue a tax receipt letter for all donations of stock or other appreciated securities within ten days of receiving the stock certificate(s) or at the completion of the transfer of shares into United Way's brokerage account.

Items for which United Way will issue a tax receipt upon request:

Donation payments made directly to United Way by cash, check or credit card for less than \$250 will be issued a tax receipt upon donor request. Please contact the United Way and request Donor Information at (507) 287-2000.

Items for which United Way will help provide necessary documentation:

Payroll Deduction:

- Employees who contribute to United Way through payroll deduction must have a paycheck stub, form W-2 or other employer-generated document showing the total amount withheld for United Way AND a donor pledge card (the original, a carbon copy or photocopy of a paper form, or a printout of an online donation). The Internal Revenue Service requires this documentation to substantiate and claim a tax deduction.
- United Way will provide a copy of the donor pledge form, at donor request, if it is on file at United Way. For electronic pledges from workplace donors which are reported to United Way electronically, donors may request an acknowledgement letter for their pledge which may be used in place of the pledge form copy.

Special Events:

United Way of Olmsted County, Inc. may not provide tax receipts for special event transactions where the individual amounts donated are unknown to United Way, and value received by the individual are unknown. Since many special events are hosted at a workplace, individual contributions are not always tracked, and benefits are not always valued. United Way typically receives a lump sum of cash or checks for the event from the workplace. *(Examples: Golf outing, Penny wars, Bake sales, Auctions)*

- Donors who participate in special event activities and do not receive anything of value over the minimum allowed (\$8) may claim a tax deduction for the full contribution. (Example: Jeans Day sticker donations are tax deductible)
- If a donor receives something of value more than the minimum allowed (\$8) in exchange for their contribution or pledge, the tax deductibility is limited based on what is received. (Example: If a donor receives a \$10 gift card in exchange for a \$50 contribution, \$40 is tax deductible, or if they receive a \$50 gift card in exchange for a \$10 contribution, \$0 is tax deductible.)
- For event participation fees events where a meal is served or entertainment is offered the tax deductibility is limited based on the value of the meal and entertainment received. (Example: Celebration event ticket purchased for \$30, and meal received is valued at \$18, only \$12 of the ticket purchase price is tax deductible.)
- If an individual purchases a chance in a drawing/raffle to receive an item with a monetary value such as airline tickets, electronics, gift baskets, etc., the purchase amount is not tax deductible and therefore **cannot** be issued a receipt. It is important to note that winners of such items are responsible for paying taxes associated with items won. Winners should contact their tax advisor if they have questions about tax implications.
- Persons who *contribute* items to United Way of Olmsted County through special events or an initiative ask like “Running Start or Winter Outer Wear” may in many cases claim a charitable deduction on their income tax returns. Donors are encouraged to consult with their own tax advisors about their particular situations.
 - For new items recently purchased, persons should retain a copy of the sales receipt and may usually deduct, as a contribution, the purchase price. For unused items which were not purchased, such as an unwanted gift, the donor may usually deduct as a contribution the current value of the item.
 - Those who donate items which they have created are subject to the IRS "basis rule" which effectively limits the deduction to the cost of the materials used in the creation (exclusive of any valuation for time and effort).
 - The value of the donated use of a cabin, automobile, or other property is not deductible.
 - Donated clothing and household items generally must be in good used condition or better in order to be deductible. Special rules apply to gifts of inventory by businesses.
 - United Way of Olmsted County, Inc will not value donated items. The valuation of any donated property is the responsibility of the donor.

United Way of Olmsted County, Inc.
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