

# Tax Receipting



Donors are now required to have a tax receipt to substantiate all contributions, regardless of amount. Payroll deduction pledges, just like other contributions, are now only deductible by the donor if they can substantiate the deduction with a bank record or a written communication from the donee indicating:

- The name of the donee organization
- The date of the contribution
- The amount of the contribution

However, for contributions of \$250.00 or more, no deduction is allowed unless the donor substantiates the contribution with a written acknowledgement from the donee which indicates "No goods or services were provided in exchange for this donation".

## WHAT DO DONORS NEED?

**Check Donation:** A cancelled check is sufficient proof because it contains the three points of information required by the IRS (name of the donee organization, date and amount of the contribution.)

**Cash Donation:** Written acknowledgment from the recipient organization indicating the amount, date and name of donee organization.

**Credit Card:** Card statement indicating the amount, date and name of donee organization.

**Payroll Deduction Donations:** Donors need a pay stub, W-2 or other document furnished by the employer that indicates the amount withheld during the tax year for payment to the donee organization. **AND** A pledge card or other document prepared by or at the direction of the donee organization that shows the donee organization name.

## WHAT YOU NEED TO KNOW CONCERNING PAYROLL DEDUCTIONS:

### If you are a Donor:

- Retain a copy of your pledge card to substantiate your charitable donation. **OR**
- Request a copy of your pledge card from your payroll department. **OR**
- Request a confirmation letter from United Way. Please note that we will only be able to provide a letter of confirmation if we have received sufficient detail of your payroll pledge from your organization.

### If you are the company's Payroll Contact:

- When you process employee payroll deductions, keep employee pledge cards on file as long as necessary, as employees may submit tax returns well after the April 15 filing deadline.
- Include a statement of charitable donations withheld from the employee for the calendar year. This statement should include the date, amount and name of charitable organization. For donations of \$250.00 or more the statement must also include the statement "No goods or services were provided in exchange for this donation".

### If you are the company's Employee Campaign Manager:

- Be aware of how this affects donors at your company and where you will direct inquiries as they occur.
- If your company uses an online giving tool, include this information on the tool and also send a gift confirmation e-mail advising employees to print and save for tax purposes.

### What United Way will provide:

- Upon receipt of a pledge, United Way will send an acknowledgement thanking the donor for their gift. Please note, this can only be done where sufficient information is provided.
- United Way of Erie will issue receipts to all donors contributing **\$250.00** or more via cash, check, credit card or stock by January 31.
- Individuals contributing via payroll may request a receipt from United Way. We are unable to produce these automatically as we do not receive sufficient payment information by donor to issue receipts for payroll deductions.
- If you have any questions for United Way, please contact Christine Yuhas at (814)456-2937 x 234 or [chris@unitedwayerie.org](mailto:chris@unitedwayerie.org).