

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 \$100.00 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. We will however, upon a donor's request, contact the employer's payroll office to obtain calendar year withholding amounts and issue a receipt accordingly.
- If you have any questions for United Way, please contact Christine Yuhás at (814)456-2937 x 234 or chris@unitedwayerie.org.