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Question: Is my gift to United Way of Anchorage tax deductible.

Short Answer: Yes! United Way of Anchorage is a non-profit organization and if you itemize when you do your taxes, you can include your gift to United Way as a charitable deduction.

Long Answer: The IRS has specific rules and regulations for charitable deductions. Here are a few things to keep in mind as you make your gift or as you help others to make their gifts. However, please keep in mind that we are not tax experts and we encourage you and other donors to consult with tax professionals or accountants to discuss the specifics of your situation.

- 1) Written acknowledgement or receipt of the gift is required for gifts of \$250 or more and the receipt must include:**
 - a. Name of charitable organization
 - b. Amount of cash contribution
 - c. Description but not value of non-cash contribution.
 - d. Statement of no goods or services were provided in exchange for the contribution – if that was the case
 - e. Description and good faith estimate of the value of goods or services, if any, provided in return for the contribution

- 2) Each January United Way of Anchorage provides written receipts that include all of the above information to donors of gifts of \$250 or more paid via cash, check or credit card. Donors who require a receipt but don't receive one by the end of January are encouraged to call the United Way office to request one. Please call Sue Ross @ 263-3813.**

The IRS rules for PAYROLL DEDUCTION RECIEPTING ARE DIFFERENT:

- 3) For gifts made via payroll deduction the following serves as written acknowledgement:**
 - Pay Stub or W-2 showing the amount withheld by the employer **AND**
 - A pledge card that includes a statement to the effect that United Way does not provide any goods or services in exchange for the contribution

- 4) If the payroll deduction gift is made via an e-pledge system, the following serves as written acknowledgement:**
 - Pay Stub or W-2 showing the amount withheld by the employer **AND**
 - **An e-pledge receipt** that includes a statement to the effect that the United Way does not provide any goods or services in exchange for the contribution. *(If you are the campaign coordinator for your company campaign, before your campaign begins, please double check that the required verbiage is included on your e-pledge receipt.)*

- 5) Payroll deduction pledges are deductible in the year paid or in other words the year the deduction is withheld. Usually pledges made in the fall fund-drive are paid by payroll deductions that start in January and continue through the following December. So when the donors do their taxes, they'll need the paystub from the year ended in the most recent December AND they'll need the pledge form copy or e-pledge receipt from the PREVIOUS fall campaign.**



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The IRS says if the donor gets something of value in return for their donation, other rules apply. So if the donor is getting cash, property, services benefits or privileges in exchange for the gift, there are different rules that apply:

6) Goods and Services exchanged for Contributions of \$250 or more:

- Generally a donor must reduce the amount of the contribution deduction by the fair market value of the goods and services provided examples of these types of contributions include: money paid to purchase an item won in a silent or live auction in support of United Way, money paid to play in a golf tournament.

If your organization is sponsoring a silent or live auction in support of United Way, or please consider the following:

- The winning bidders need to receive receipts that indicate how much was paid for each item AND a good faith estimate of the fair market value of each item.

If your organization is sponsoring a golf tournament or other special event, please consider the following:

- Participants need to receive a receipt that indicates what portion of their gift is tax deductible.
- United Way can provide a template for such receipts. Or if auction organizers prefer to provide UW with appropriate information, UW can provide the actual receipts. Information includes: winning bidders name or participants name, the amount paid, a description of the item and an estimate of the fair market value of the item. For templates, please contact 263-3813.

- 7) **Written receipts are required for all “non-cash” contributions** that donors wish to claim on their tax forms. United Way will provide these receipts if event organizers provide appropriate information. Please contact UW at 263-3813 for a template for providing this information.

If individuals or companies donate items/services to your auctions in support of United Way, please track these contributions. Contact UW at 263-3813 for a template spreadsheet so that UW can send written receipts.

Important to note:

- Purchase price of raffle tickets are not tax deductible and there are Alaska State Gaming rules that apply to raffles. If your organization wants to conduct a raffle for United Way of Anchorage, it is mandatory for the raffle organizer to contact Sue Ross at 263-3813 to arrange to use the United Way raffle permit.