

2009 Greater Twin Cities United Way Tax Receipt Information

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

Cash, check and credit card payments of \$100 or more:

- Payments made directly to United Way by cash, check and credit card which total \$100 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 Jan. 31 of the following year.

Stock and Securities:

- Donors must notify United Way when they transfer stock to a United Way brokerage account. Privacy laws do not allow brokerage firms to release names to United Way without specific donor instruction. For more information, please contact Colleen Kangas at kangasc@unitedwaytwincities.org or (612) 340-7610, or visit United Way's Website at www.unitedwaytwincities.org/Giving/donatestock.cfm
- United Way will issue a tax receipt letter for all donations of stock or other appreciated securities within five 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:

Payments made directly to United Way by cash, check or credit card for less than \$100 will be issued a tax receipt upon donor request. Please contact the United Way Donor Information Line at (651) 290-4590 or info@unitedwaytwincities.org.

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.

Items for which a United Way agent may provide a receipt upon request:

Special events:

- Employees that participate in special event activities and do not receive anything of value over the minimum allowed (\$8) they may receive a tax receipt for the full contribution.

- Ex. 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.
 - Ex. If an employee receives a \$10 gift card in exchange for a \$50 contribution, \$40 is tax deductible.
- If an employee 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 can not 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.
- If an employee receives a chance to win a prize of monetary value in a drawing/raffle based on pledge participation, the pledge is no longer tax deductible.
- Persons who *contribute* items to Greater Twin Cities United Way through special events may in many cases claim a charitable deduction on their 2009 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.