

Did you know that you can take an itemized deduction for donations to charities of items other than cash?

Contributions to charitable organizations of items such as clothing, furniture, dry goods, etc are eligible for a charitable deduction contribution.

The deduction for a donation of property to charity is equal to the fair market value of the donated property and the donor does not have to recognize the gain on the donated property. These rules allow for the "doubling up," of tax benefits: a charitable deduction, plus avoiding tax on the appreciation in value of the donated property.

If you are planning to make a relatively substantial contribution to a charity, you may want to consider donating appreciated stock from your investment portfolio instead of cash. Your tax benefits from the donation can be increased and the organization will be just as happy to receive the stock.

Out of pocket expenses incurred while serving for a charitable organization are also deductible as are travel expenses. For travel expenses a deduction of 14 cents a mile are allowed.

Deductions for donations of property are subject to certain limitations and may require that an appraisal be done. We suggest that you consult your tax advisor if you are considering making a large donation.