



### **Before claiming a charitable deduction for 2025, make sure you can substantiate it**

If you itemize deductions on your 2025 individual income tax return, you potentially can deduct donations to qualified charities you made last year. But your gifts must be substantiated in accordance with IRS requirements. Exactly what's required depends on various factors. In some cases, you must have a written acknowledgment from the charity.

#### **Substantiating cash donations**

If you made a cash gift of *under \$250*, documentation such as a canceled check, bank statement or credit card statement is adequate. However, if you received something in return for the donation, you generally must reduce your deduction by its value — and you must have received a “contemporaneous written acknowledgment” from the charity.

Likewise, for a donation of *\$250 or more*, you must obtain such an acknowledgment. In it, the charitable organization must state the amount of the donation, whether you received any goods or services in consideration for the donation and, if you did, the value of those goods or services.

The “contemporaneous” requirement can sometimes trip up taxpayers. It means the *earlier* of:

1. The date you file your tax return, or
2. The due date of your return, including extensions.

Therefore, if you made a donation last year that requires a contemporaneous written acknowledgment but you haven't yet received it from the charity, it's not too late — as long

as you haven't filed your 2025 return. Contact the charity now and request a written acknowledgment.

### **Substantiating property donations**

Gifts of property worth \$250 or more also generally require a contemporaneous written acknowledgement from the charity. Rather than listing a dollar value for the donation, it must simply include a description of the property. But as with cash donations of \$250 or more, it must state whether you received any goods or services in consideration for the donation and, if you did, the value of those goods or services.

Some types of donations require additional substantiation. For example, if you donate property valued at more than \$500, you must attach a completed Form 8283, "Noncash Charitable Contributions," to your return. And for donated property with a value of more than \$5,000, you generally must obtain a qualified appraisal and attach an appraisal summary to your tax return. But donations of publicly traded securities don't require an appraisal.

### **Tax-smart charitable giving**

Many other rules and limits can affect your charitable deductions. We can help you determine what you can claim on your 2025 return and plan a tax-smart charitable giving strategy for 2026. Contact us to get started.

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