

Getting Maximum Donation Value for Taxes

Clean your donations so the organization will receive maximum value.

Don't donate trash. Organizations can use things you no longer need or use *that can be useful to someone else*. Try to assess your items objectively. Charitable organizations need and want your donations however; many are footing growing fees for disposing of true trash. If it's broken, ripped, torn or truly worn out, be strong, be tough and throw it away.

Determine fair market value for your donations. Read IRS Publication 561 & 526 to be sure you are properly crediting your donations. According to the IRS Publication 561, the IRS determines Fair Market Value as; "...the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. If you put a restriction on the use of a property you donate, the FMV must reflect that restriction." FMV is not necessarily what you think an item is worth. A measure of FMV can simply be, *the amount someone willing to pay for an item*.

Check with your tax preparer for h/her method of determining donation value and tax deduction amount. Some recommend claiming 1/5 original value if donation item is in good condition.

Itemize thoroughly. Proper itemization will back you up if you are ever audited.

Photograph your donations. Store photos in your tax records.

Get a receipt. It must have institution, address and date of donation.

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Organizing Matters is committed to helping clients reach their goal of a more organized home, workplace and schedule. To learn more, *visit* www.OrganizingMatters.com or *e-mail* her at info@OrganizingMatters.com