



Enhancing Trust

8 HELPFUL HINTS FOR ACKNOWLEDGING AND REPORTING CHARITABLE GIFTS

**CHARITABLE
GIVING GUIDE FOR
ACKNOWLEDGING
AND REPORTING
CASH CHARITABLE GIFTS**

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8 HELPFUL HINTS FOR ACKNOWLEDGING AND REPORTING CHARITABLE GIFTS

- 1 Gifts made to the church are not only a blessing, but the lifeblood that makes ministry possible. Acknowledging charitable gifts goes beyond a simple “thank you.” Timely and accurately prepared gift acknowledgements inspire trust and allow the giver to substantiate gifts and maximize their tax benefits.
- 2 It is significant for churches to always indicate whether or not they provided any goods or services to givers in exchange for their gifts. Otherwise, the IRS may penalize the church and deny the giver’s charitable deduction.
- 3 Some gifts are given for a specific purpose, or with giver-imposed restrictions. These particular gifts require intentional and clear communication between the giver and the church.
- 4 A giver’s intentions must always be honored because the giver’s relationship with the church fundamentally depends on trust. This trust with generous givers is built on truthful communication about giving opportunities.
- 5 Not all gifts, such as gifts of services or the rent-free use of property, qualify for charitable deductions. Knowing when *not* to acknowledge gifts is just as important as acknowledging eligible ones.
- 6 Acknowledgements must contain certain pertinent information to be valid: including but not limited to the giver’s name, the date the donation was made, and the nature of the gift.
- 7 Timeliness is a key factor to ensure maximized benefits. Acknowledgements can be issued monthly, quarterly, annually, or gift-by-gift, or in any other manner. A system must be put in place to ensure proper timeliness.
- 8 Considering all outlined IRS guidelines and requirements, adopt a charitable gift acknowledgement policy that best fits your church. This will help a church’s staff and givers understand eligible and ineligible gifts and how to process them properly.

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Questions? Call **Tracy Weber** at **800.323.9473**
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