

# THE CAMBODIA PROJECT

## ADVANCING EDUCATION IN RURAL CAMBODIA

### Frequently asked questions regarding deducting charitable donations from taxes.

#### **What tax form do I need to claim a deduction?**

You are able to deduct your charitable donation but you have to itemize your deductions (IRS Publication 78). It will be in the [Schedule A](#) of **form 1040**, when you file the tax return, ask your tax preparer for that.

#### **What kind documentation do I need to keep in order to claim a tax deduction?**

In general, the IRS does not require receipts for donations under \$250. However, after the Pension Protection Act of 2006, the IRS requires that donors to keep any bank records or other written evidence from the organization that acknowledges your donation. The documents should include the name and address of the organization, the amount and the date that you donated.

#### **What if I have given non- cash contributions?**

If you contribute non-cash property such as an artwork or a computer, you must be able to provide the fair market value of the asset(s) that you donate and keep any written documentation from the organization that describes your donation.

If the fair market value of the donated asset exceeds \$500, you must fill and attach the **Form 8283** with your tax return together with the written acknowledgement of the organization that received your donation.

If you claimed that the donated property is worth more than \$5000, you must obtain a written appraisal of the property's fair market value. .

#### **How much of my donation is tax deductible?**

The instructions from the Form 1040 will help determine the exact amount of your deduction, which will vary depending on your tax bracket and whether you file as a single person or jointly

- In general, you might be able to deduct *cash* contributions in full up to 50% of your adjusted gross income.
- In general, you might be able to deduct *property* contributions in full up to 30% of your adjusted gross income.
- In general, you might be able to deduct contributions of appreciated *capital gains assets* in full up to 20% of your adjusted gross income

The Cambodia Project operates overseas but registers as a 501(c) (3) in the US. You are still eligible for the tax-deduction.

## Volunteered Services

You cannot deduct the value of time or services to a charitable organization, but you can deduct any real costs associated with volunteering. For example, if you volunteer in a charitable organization and have to take a bus to get there, you can deduct the cost of bus ticket. The IRS will let you deduct any out-of-pocket expense you acquire in the course of volunteering.

### *Disclosure*

*All the information above is based on reliable sources but The Cambodia Project does not guarantee the absolute accuracy or quality of the information. Please consult your tax advisors for further consideration.*