

York Habitat for Humanity, Inc.
Tax Benefits and Reporting Procedures for Non-Cash Contributions (“In Kind” Gifts)

York Habitat for Humanity is a charitable 501(c)(3) organization. As such, donations made to our affiliate are deductible to the extent possible under the IRS code as described in Publication #526.

Procedures for Non-Cash Contributions:

Non-cash contributions to a qualified organization are generally deductible at the fair market value of the item.

For accounting and tax purposes, all in-kind donations to YHFH are documented on “In-Kind Donation Forms” indicating the date of the donation, specific description of the item(s) donated, project designation (where applicable), contact information of the donor, and estimated fair-market value. Note: This fair-market value is used for YHFH bookkeeping purposes only and is not to be construed as a receipt for the IRS.

YHFH enters the donation into the accounting records and into the donor software. A letter is generated and mailed to the donor recognizing the gift. This letter is the official receipt to be kept by the donor for tax purposes. The letter will not indicate the value of the donation, as it is the responsibility of the donor to determine, and report, this value to the IRS. The letter will indicate that “no goods or services were received.”

In the case that goods or services are received, in part or in full, YHFH will indicate that “the donor can deduct only the amount of the payment that is more than the value of the goods or services received” and a “good faith estimate of the value of the goods or services received” will be listed. The value in excess of goods and services received will be displayed on all event tickets.

Individuals

Individuals may deduct charitable contributions on their individual tax returns. Limitations may apply. If the value of a donation is greater than \$500, Form 8283 is required in addition to Form 1040. Form 8283 requests detailed information about the donation and any restrictions placed upon it. Donations greater than \$5,000 also require an appraisal. When the appraisal is done, the certified appraiser and an authorized signee from YHFH must sign Form 8283.

C Corporations, Partnerships, and S Corporations

A special rule applies for deductions taken by certain C corporations under Section 170(e)(3) of the IRS code. Please consult your accountant.