

Tax Alert

Ensure Your Year-End Donations Will Be Deductible on Your 2016 Return

December 5, 2016



Donations to qualified charities are generally fully deductible, and they may be the easiest deductible expense to time to your tax advantage. After all, you control exactly when and how much you give. To ensure your donations will be deductible on your 2016 return, you must make them by year end to qualified charities.

When's the Delivery Date?

To be deductible on your 2016 return, a charitable donation must be made by December 31, 2016. According to the IRS, a donation generally is “made” at the time of its “unconditional delivery.” But what does this mean? Is it the date you, for example, write a check or make an online gift via your credit card? Or is it the date the charity actually receives the funds — or perhaps the date of the charity’s acknowledgment of your gift?

The delivery date depends in part on what you donate and how you donate it. Here are a few examples for common donations:

Check - The date you mail it.

Credit card - The date you make the charge.

Pay-by-phone account - The date the financial institution pays the amount.

Stock certificate - The date you mail the properly endorsed stock certificate to the charity.

Is the Organization “Qualified?”

To be deductible, a donation also must be made to a “qualified charity” — one that’s eligible to receive tax-deductible contributions.

The IRS’s online search tool, Exempt Organizations (EO) Select Check, can help you more easily find out whether an organization is eligible to receive tax-deductible charitable contributions. You can access EO Select Check at <http://apps.irs.gov/app/eos>. Information about organizations eligible to receive deductible contributions is updated monthly.

Many additional rules apply to the charitable donation deduction, so please contact us if you have questions about the deductibility of a gift you’ve made or are considering making. But act soon — you don’t have much time left to make donations that will reduce your 2016 tax bill.