

## TRIDENT UNITED WAY TAX RECEIPT INFORMATION

Trident United Way issues tax receipts for specific gift types in January of each year. Below is helpful information that answers questions around the tax receipting process.

### Frequently Asked Questions

#### Cash Contributions

*What qualifies as a “cash” contribution?*

Cash contributions are defined as those paid by cash, check, electronic funds transfer or credit card.

*How will Trident United Way handle receipting for “cash” contributions?*

An annual summary will be issued to the donor if at least one contribution was \$250 or more during the year. Separate contributions of less than \$250 are not required to be aggregated; therefore, Trident United Way does not issue tax receipts for any contribution less than \$250, no matter how many times the donor contributes during the year. At times, donors may pay their pledge via a third party processor (TPP). In these instances, it is important to confirm whether the TPP or Trident United Way is responsible for tax receipt issuance. Donors may also pay their pledge from an Individual Retirement Account (IRA) or a donor advised fund. It is important to note that Trident United Way will not send a tax receipt to the donor for such payments, as the donor has already received the tax deduction benefit.

#### Payroll Deduction Contributions

*What is a payroll deduction pledge/gift?*

A payroll deduction pledge/gift is a charitable contribution made by an employee of a company that will be deducted from the employee’s paycheck at a later date. Deductions may be one time or over multiple pay periods. Since Trident United Way does not receive sufficient detail from all employers relative to payroll deduction to determine exactly whose pledge is included in a given payment, it is impossible to issue a receipt to each donor that contributes by payroll deduction.

*What information will Trident United Way and employers provide to the donor to substantiate their payroll deduction gift?*

For charitable contributions made by payroll deduction, the donor may use both of the following documents as written communication from the charity:

1. A pay stub, W-2, or other document furnished by the employer that indicates the amount withheld during the tax year for payment to Trident United Way,  
- AND -
2. A pledge card or other document prepared by, or at the direction of, Trident United Way that shows the Trident United Way name, the date of the pledge and the amount of the pledge. Trident United Way is not required to substantiate designations for payroll deduction pledges.

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### *In which year is a payroll deduction gift tax deductible?*

The year when the contribution is deducted from the employee's paycheck is the tax year in which the employee may claim the tax deduction.

**Note:** It is important to clarify that the pledge form donors need to substantiate their gift often relates to a prior campaign as many gifts (particularly payroll deduction) are not pledged and paid in the same year. For example, a payroll deduction donor would need a copy of their fall 2015 pledge form to substantiate payments made during calendar year 2016.

### *What can the workplace do to ensure payroll contributions are deductible for donors?*

**1. Donors** are encouraged to:

- Retain a copy of your pledge card to substantiate your charitable contribution.
- OR -
- Request a copy of their pledge card from your payroll office.

**2. Payroll contacts** are encouraged to:

- Retain employee pledge cards or electronic files as long as necessary, as employees may submit tax returns well after the April 15 filing deadline.
- Retain continuous giver pledge cards. Since the employee does not complete a pledge card on an annual basis, the original pledge card is required to substantiate the gift.

**3. Employee workplace campaign coordinators** are encouraged to:

- Be aware of how the substantiation requirements affect donors at their company. Additionally, the campaign coordinator should identify a contact to which questions can be directed as they arise.
- Include tax substantiation information on any online giving tool. Include verbiage on confirmation emails advising employees to print and retain to substantiate their gift for tax purposes.

### **IRS Information**

#### *Where can I find more information about the IRS requirements?*

For additional information, please see [IRS Publication 1771 Charitable Contributions Substantiation and Disclosure Requirements](#). This publication explains the federal tax law for 501(c)(3) nonprofit organizations that receive tax-deductible charitable contributions and for taxpayers who make contributions to such organizations. Please note the substantiation requirements only impact donors who itemize deductions on their tax return. The requirements do not impact donors utilizing the “standard deduction.”

If you have additional questions, please contact your Trident United Way Relationship Manager by calling (843)740-9000.