

Abstract: When donating cash and property to charity, the donor may secure a tax deduction if the charity is qualified with the IRS to receive tax-deductible donations and if the donor secures proper documentation from the charity. Here's what donors need to know.

Make sure every donation counts — and is deductible

Charities obviously benefit when you donate cash and property to them. But you can also benefit by securing a tax deduction if you comply with the tax rules.

Start by ensuring you're donating to a qualified charitable organization with tax-exempt status. A tool on the IRS website — the Exempt Organizations Select Check — allows users to search for a specific tax-exempt organization, check its federal tax status and see information returns the charity may have filed.

To be deductible in a given year, any pledges must be actually paid in that year. So, if you pledged \$5,000 early in 2025 but pay only \$1,500 by the end of the year, you can deduct only \$1,500 on your 2025 tax return. (You can deduct the rest when you pay it.)

If you receive something in return for your donation, you need to know the fair market value (FMV) of the item received. If you donated property rather than cash, you also need to know the FMV of what you donated. Suppose you donate a laptop computer to your child's school, and, in return, you receive event tickets. You must deduct the FMV of the tickets from the FMV of the laptop to arrive at your tax deduction.

There are substantiation rules that apply when giving cash or property to charity, and they vary based on the type and amount of the donation. For example, some donated property may require you to obtain a professional appraisal of value. Before you donate, consult your tax advisor.