

2019 HIGHER EDUCATION TAXATION ESSENTIALS  
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## CHARITABLE CONTRIBUTIONS

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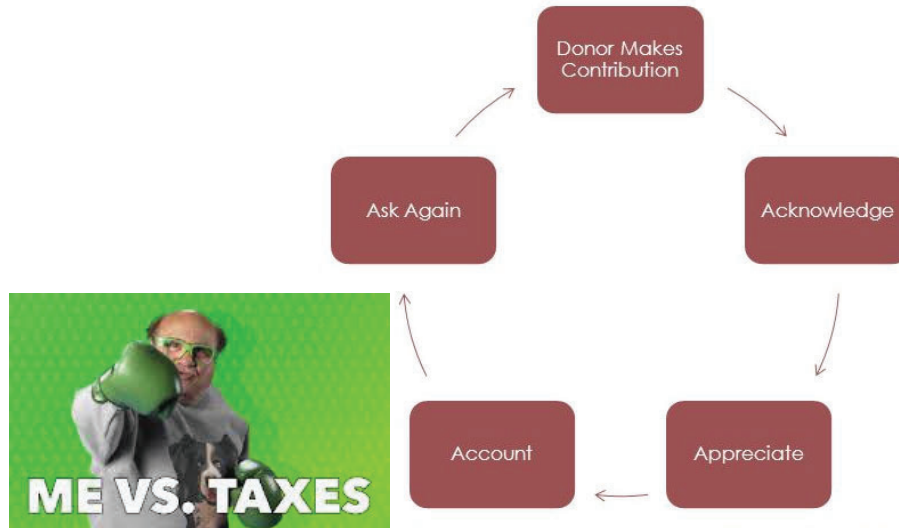
## Charitable Contributions

- Definition of a charitable contribution
- “Contributions” with strings or benefits
- Receipting rules
- Appraisal requirements



# Donor Relations

## Donor Relations Cycle



3

## What is a Charitable Contribution?

- The *sine qua non* of a charitable contribution is a transfer of money or property without adequate consideration.
- Essential elements
  - Donor competent to make the gift
  - Donee capable of taking the gift
  - Clear and unmistakable intention on the part of donor to absolutely and irrevocably divest himself of the title, dominion and control of the subject matter of the gift
  - Irrevocable transfer
  - Delivery by donor to donee
  - Acceptance by donee

4

## Quid Pro Quo Transactions

- A donor receives a privilege or benefit in return for a contribution
- Charity must value the return benefit
- Discussed later



5

## Charitable Contribution or Not?

### Business Expense

- A business expense deduction is allowable if the payment is made with a reasonable expectation of a financial return commensurate with the amount of the payment
- A payment to charity made with the intent to increase business should be a business expense
  - Payment for use of the charity's name in an advertising campaign (Rev. Rul. 63-73)
  - Regular payments to charity in order to promote business (Rev. Rul. 72-314)
  - Items "donated" for students

6

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## Title search: Charitable Contributions

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"Charitable Contributions"