# 2022 HIGHER EDUCATION TAXATION ESSENTIALS JUNE 19, 2022 AUSTIN, TEXAS

#### **CHARITABLE CONTRIBUTIONS**

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# **Charitable Contributions**

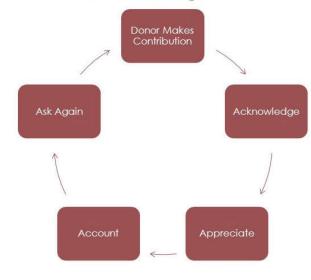
- Definition of a charitable contribution
- ODONATE
- "Contributions" with strings or benefits
- Receipting rules
- Appraisal requirements



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### **Donor Relations**

# **Donor Relations Cycle**



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# What is a Charitable Contribution?

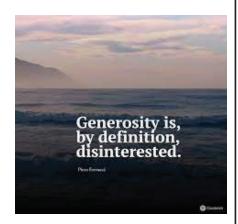
- The sine qua non of a charitable contribution is a transfer of money or property without adequate consideration.
- Essential elements
  - Donor competent to make the gift
  - Donee capable of taking the gift
  - Clear and unmistakable intention on the part of donor to absolutely and irrevocably divest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





## **Charitable Contribution**

- Made with "disinterested generosity"
- If the size of a taxpayer's payment to a charity is clearly out of proportion to the benefit received, the taxpayer may claim a charitable contribution equal to the difference between a payment to the charitable organization and the market value of the benefit received in return on the theory that the payment has the "dual character" of a purchase and a contribution





# **Quid Pro Quo Transactions**

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







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