



*“From Where I Sit ...”*

## **Church Contributions as Tax Deductible Gifts!**

It is a given within the CME Church that my responsibilities as a General Officer chiefly pertain to retirement, church insurance, key person insurance, and the Gift Fund. However, quite often I am called with questions concerning taxes and certain IRS procedures. The questions cover a wide range of subjects and I have decided that perhaps what I have shared with a few, I should also share with a larger body.

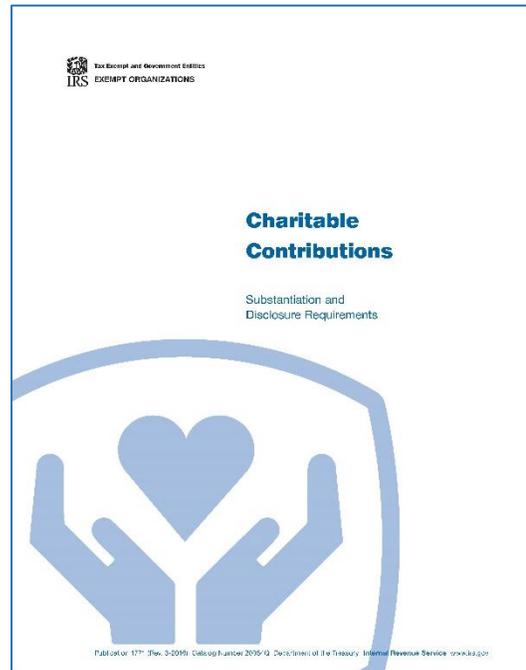
As a church we depend heavily on charitable contributions from our parishioners. These contributors in turn expect and depend on the church to assure that their contributions will be tax deductible when filing their annual tax return. This becomes extremely important for a person who has made significant contributions if they are chosen to be audited by the IRS. Few are aware of the 9-page 2016 IRS Publication 1771 “Charitable Contributions (*Substantiation and Disclosure Requirements*) that can be a useful guide with answers to many questions asked by church officers. It can be downloaded from <https://www.irs.gov/pub/irs-pdf/p1771.pdf>.

The publication opens asking three questions:

- 1) Are you an organization that receives contributions of \$250 or more? or
- 2) Are you an organization that provides goods or services to donors who make contributions of more than \$75? or
- 3) Are you a donor who makes contributions to a charity?

Of special interest and applicable to all CME Churches is the remainder of the first 2½ pages that focus on both “*recordkeeping rules*” and “*written acknowledgement*” from the perspective of the contributor (the donor) and the church (the charitable organization).

Whether you are a charitable contributor or a local church official, this little publication can significantly improve your understanding of the requirements and qualifications necessary for the appropriate accounting of charitable gifts. Yes, there are responsibilities on both sides, but what is most important is that, at the end of the day, adhering to these procedures will allow for the gift to count as a taxable deduction. *Or at least that’s the way it looks to me...*



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