

A person wearing a white long-sleeved shirt and a red apron is holding a cardboard box filled with several cans of food. The person's hands are visible, and they are positioned as if presenting or organizing the box. The background is a plain, light blue wall.

Unit 14:

Giving Back

Personal Financial Literacy

Objectives

- Discuss the importance of charitable giving.
- Identify types of charitable giving.
- Discuss the impact of charitable giving.

Charities

- Nonprofit organizations
- Provide services or benefits to others
- Attract fraudulent people who misrepresent themselves to make money



Before You Donate...

- What is their mission?
- Is it tax-deductible?
- How much goes directly to help group?
- Ask solicitor to mail information for review.
- Give to groups that use at least 60% of the money to actual programs
- Guidestar.org – provides information about charitable giving

Fraudulent Charities...

- ...spring up after natural disasters
- ...use a sound-alike name of a popular charity
- ...pressure you into giving
- ...use:
 - Internet phishing
 - URL spelling mistakes
 - Look-alike sites
 - Third party site asking for credit card information

Gifts in Kind

- Non-cash donations with cash value
- Cash value of non-monetary donations is fair market value
- Must know cash value to claim as a tax deduction





- Volunteer Your Skills
 - Special Olympics
 - Volunteers coach, serve refreshments, judge events, photograph athletes, etc.
 - Doctors Without Borders
 - Knit-a-Square project

Planned Giving

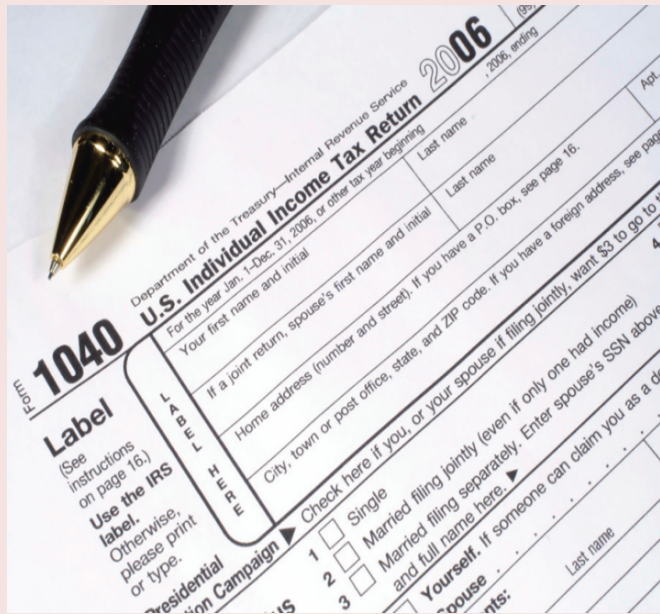
- Donate through estate planning:
 - Life insurance
 - Retirement plans
 - Securities
 - Investments that provide dividend income

Private Foundation

- Legal entity created to benefit public charities
- Donor that creates foundation makes investment and donation decisions to benefit causes that are important to them
- Donor-advised fund
 - Assets are transferred to charitable account
 - Charity makes the decisions, but you can advise

Popular Charities

Charities and Taxes



- Donations to qualified organizations deductible up to 20% of AGI
- IRS Publication 526
- Additional paperwork for \$250+ donations to single charity or \$500+ to charities in a year* (Needs updated)

To Get a Tax Deduction

- File Form 1040 and itemize
- Subtract benefits received for donation, such as tickets to an event
- Non-monetary donations - fair market value
- Keep records
- Cancelled checks can serve as receipts

Unit Review

1. Charitable organizations have administrators and sometimes salaried staff, just like companies. Discuss the differences between charities and businesses.
2. Explain some of the ways to evaluate a charity.
3. What are some of the ways that identify fraudulent companies?
4. Describe the types of charitable giving.
5. Distinguish among the legal agreements from which charities benefit.

Unit Review - Continued

6. Discuss the tax benefits to charitable giving.
7. What types of records must a taxpayer keep to claim a tax deduction for charitable giving?
8. List other requirements to claiming tax deductions on charitable donations.

*career*tech

Curriculum and Instructional Materials Center

1500 West 7th Ave.

Stillwater, OK 74074

www.okcimc.com

1-800-654-4502