If a taxpayer has made any single contribution of cash or property of $250 or more you must have the necessary written substantiation. The requirements of the statute, one of which is a statement regarding whether goods or services were provided in consideration for the contribution, are mandatory, and failure to comply with them will result in disallowance of a charitable contribution deduction (Durden V. Commissioner, T.C. memo 2012-140). The taxpayer must have a contemporaneous written acknowledgment, which as long as it is received by the donor by the earlier of the date the donor's tax return is filed, or the due date including extension of that return.

There are four requirements that must be satisfied in the case of contributions of cash or property of $250 or more directly to a charity. The written acknowledgment must contain:

1) The amount of cash and description (but not necessarily the value) of any non-cash property contributed.
2) Whether the donee organization provided any goods or services in consideration, in whole or in part, for the contribution.
3) If the donee organization provided any goods or services other than intangible religious benefits, a description and good faith estimate of the value of those goods and services is needed.
4) If the donee organization provides any intangible religious benefits, a statement to that effect is needed.

The taxpayers agree that Marnell Financial has disclosed when there is a special substantiation requirement for a deduction: i.e. any single contribution of cash or property of $250 or more that you were advised in this memo, or verbally of what the requirements are and you have the necessary written substantiation.