

A Checklist for Making Charitable Donations in 2017

CFP Board Ambassador offers tips to help Americans give wisely and save on taxes

Many Americans rush to make charitable donations at the end of the year, according to CFP Board Ambassador Marty L Reid, CFP®. In their haste, some fail to recognize keys to making the most of their donations: vetting the charities and tax planning.

“Americans are among the most generous charitable givers in the world and are expected to break records again this year with their giving, especially given the big surge in investment returns,” states Marty Reid, CFP®. “However, individuals may fall prey to scam artists and fake charities, and Americans need to be careful to avoid them.”

Charitable giving reached an all-time high of \$390.05 billion last year, according to [Giving USA 2017: The Annual Report on Philanthropy for the Year 2016](#). The rise was spurred largely by individual giving, and 2017 is likely to break last year’s record. Charitable donations are tied to stock market performance, and the S&P 500 is up 17.89% as of December 4, 2017.

Americans in a rush to take advantage of 2017 deductions could make costly mistakes, according to CFP Board Ambassador, Marty Reid CFP®. In the latest contribution to [LetsMakeaPlan.org](#), CFP Board offers this checklist for wise giving:

Step 1: Confirm the charity is legitimate by searching the IRS’s tool, [Exempt Organizations Select Check](#). Cross-reference by asking the organization for its employee identification number, and then search the same database for it.

Step 2: Research the charity’s financial health. The [Better Business Bureau’s \(BBB\) Wise Giving Alliance](#), [Charity Watch](#), [GuideStar](#), and [Charity Navigator](#) offer guidance on how charities spend money. Many Americans want to understand what portion of a donation goes to overhead and what portion actually contributes to the cause.

Step 3: Determine how to donate. Options include donations of goods, checks, wire transfers, and credit card payments. Americans can also donate appreciated securities and write off the current value of a stock. Individuals may even make donations directly from their IRAs, although special rules apply.

Step 4: Keep good records. For any donation valued at \$250 or more, the IRS requires a bank record, payroll deduction, or written communication identifying the organization, the date and amount of the contribution and a description of the property.

A CERTIFIED FINANCIAL PLANNER™ professional can help Americans avoid making costly mistakes with their charitable donations.

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