

## Taxes and Volunteering

Although you mentor for the benevolent purpose of helping a child in need, please remember that there are tax benefits you may take advantage of when spending time with your Little. Here are the answers from the experts at H&R Block to some frequently asked questions:

- Q:** I volunteer for several organizations and am unclear about what kind of records I should keep for my volunteer duties. Can you give me some general guidelines?
- A:** There are three primary kinds of record keeping: for cash contributions, for contributions of property and for actual volunteer services you perform.

Here are some highlights:

- Usually the full amount of the cash you contribute is deductible. There are some exceptions, so be sure to check with your tax professional if you are not sure. Your canceled check or a receipt from the organization will normally provide enough documentation. However, for contributions of \$250 or more made at any one time, you must have a written confirmation of the donation from the charitable organization.
- Fair market value is the general rule for property donations. Records should include a description of the property, its cost and fair market value, the date the property was acquired, the date of the contribution and the name and location of the organization receiving the contribution.
- Out-of-pocket expenses are common deductions for those who provide volunteer services. The cost and upkeep of uniforms, equipment and supplies used when performing volunteer services is also deductible.
- The costs of driving your car for volunteer purposes are deducted one of two ways:
  1. Actual cost of parking, tolls, gas and oil; or
  2. \$.14 per mile plus parking and tolls. Qualified transportation includes going between your home and the location where volunteer work is performed. Keep a logbook showing the date, destination, purpose and mileage of all your charitable driving.

- Q:** My Little Sister and I like to do a variety of activities. Are any of these activities deductible?

- A:** The IRS has ruled that “reasonable” un-reimbursed out-of-pocket expenses that you incur related to your volunteer work for Big Brothers Big Sisters are deductible. Such expenses include amounts you pay for your Little’s participation in activities. The IRS uses examples of swimming, going to a movie, attending a sporting event, eating out and the like as “reasonable.” Remember, your personal expenses are not deductible, but mileage is.

- Q:** Sometimes I pick up my Little Brother and take him back to my house. We stop for a pizza on the way, rent a movie and enjoy our time together. I know my mileage is deductible. What about a portion of the pizza and movies?

- A:** You may deduct the cost of your Little Brother’s meal and entertainment expenses, but not your own. In the case of a movie and pizza, your biggest difficulty is distinguishing your personal cost from the cost of feeding and entertaining the child in your care. Prorate the cost of the pizza. The movie rental is not deductible unless the child takes the movie home to watch it without you.

***\*\*When in doubt, contact your tax professional.\*\****