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Noncash Charitable 2025 Contribution Reporting

The presentation will begin shortly…

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We provide bookkeeping services to churches and Christian nonprofits including:

- Produce a monthly financial report for leadership
- Process contributions and bills
- Record all transactions in the general ledger
- Reconcile bank accounts, credit cards, and close the books each month
- Process payroll and file all quarterly and annual payroll forms
- Provide budget and cash flow projection oversight
- Give assistance with internal controls

Remote Accounting Services

Why do we provide this service?

- With online software solutions dramatically improving, outsourced bookkeeping has become a popular alternative to in-house bookkeeping

- Top reasons our clients use our remote accounting services:
  - Managing finances distracts the organization from its mission
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Noncash Charitable 2025 Contribution Reporting

December 3, 2025

By: Rick Battershell, CPA

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What are Noncash Contributions?

- Donations of property other than money (e.g. vehicles, boats, airplanes, furniture, equipment, securities, etc.)

Stock and Mutual Fund Contributions

- **What Qualifies?**
  - Publicly traded stock
  - Mutual fund shares
  - Non-publicly traded securities (private company stock, closely held shares)
- **Why Donors Give Securities**
  - Tax advantages: deduction of fair market value, avoidance of capital gains tax
  - Simplicity and efficiency for large gifts

Stock & Mutual Fund Contributions (continued)

- What Must Be Reported to the Donor?

- **Contemporaneous Written Acknowledgment that must include**
  - Name of the charity
  - Date of contribution
  - Description (but not value) of the stock or mutual fund donated
    - e.g. number of shares and date received
  - Statement whether any goods or services were provided in exchange for the gift, and a good faith estimate of their value if so
  - Should be provided before the donor files their tax return

Stock & Mutual Fund Contributions (continued)

- What Must Be Reported to the Donor?

- **Form 8283: Noncash Charitable Contributions**
  - Donor must file Form 8283 with their Form 1040, if the total value of noncash gifts exceeds $500 in a year.
  - Section A: For publicly traded securities, regardless of value.
  - Section B: For non-publicly traded securities valued over $5,000 (requires a qualified appraisal if valued at over $10,000).
  - The charity must complete and sign Part V of Section B if required.

Noncash Contributions > $5,000

(including cryptocurrency, not publicly traded securities)

- **Form 8283** and appraisal required (tax law contains definition of who qualifies as an appraiser)
- **Form 8282** - Sale of tangible personal property within 3 years

Form **8283**
(Rev. November 2022)
Department of the Treasury
Internal Revenue Service

Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over $500 for all contributed property.
Go to *www.irs.gov/Form8283* for instructions and the latest information.

OMB No. 1545-0074

Attachment Sequence No. **155**

Name(s) shown on your income tax return | **Identifying number**

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of $5,000 or Less and Publicly Traded Securities—List in this section **only** an item (or a group of similar items) for which you claimed a deduction of $5,000 or less. Also list publicly traded securities and certain other property even if the deduction is more than $5,000. See instructions.

Part I **Information on Donated Property**—If you need more space, attach a statement.

	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description and condition of donated property (For a vehicle, enter the year, make, model, and mileage. For securities and other property, see instructions.)
1			
A		☐	

Noncash Contributions > $5,000 (continued)

(including cryptocurrency, not publicly traded securities)

Form **8283**
(Rev. December 2023)
Department of the Treasury
Internal Revenue Service

Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over $500 for all contributed property.
Go to *www.irs.gov/Form8283* for instructions and the latest information.

OMB No. 1545-0074

Attachment Sequence No. **155**

Section B. Donated Property Over $5,000 (Except Publicly Traded Securities, Vehicles, Intellectual Property or Inventory Reportable in Section A)—Complete this section for one item (or a group of similar items) for which you claimed a deduction of more than $5,000 per item or group (except contributions reportable in Section A). Provide a separate form for each item donated unless it is part of a group of similar items. A qualified appraisal is required for items reportable in Section B and in certain cases must be attached. See instructions.

Part I Information on Donated Property

2 Check the box that describes the type of property donated. See instructions for definitions.

- a ☐ Art (contribution of $20,000 or more)
- b ☐ Qualified conservation contribution
- b(1) ☐ Certified historic structure
  - NPS # _____
- c ☐ Art (contribution of less than $20,000)
- d ☐ Other real estate
- e ☐ Equipment
- f ☐ Securities
- g ☐ Collectibles
- h ☐ Intellectual property
- i ☐ Vehicles
- j ☐ Clothing and household items
- k ☐ Digital assets
- l ☐ Other

3	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If any tangible personal property or real property was donated, give a brief summary of the overall physical condition of the property at the time of the gift.	(c) Appraised fair market value
A			

Noncash Contributions > $5,000 (continued)

(including cryptocurrency, not publicly traded securities)

Form **8283**
(Rev. December 2023)
Department of the Treasury
Internal Revenue Service

Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over $500 for all contributed property.
Go to *www.irs.gov/Form8283* for instructions and the latest information.

OMB No. 1545-0074

Attachment Sequence No. **155**

Part IV **Declaration of Appraiser**—See instructions.

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).

Sign Here	Appraiser signature	Date
	Appraiser name	Title
Business address (including room or suite no.)		**Identifying number**
City or town, state, and ZIP code		

Part V **Donee Acknowledgment**—See instructions.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? . . . . . ☐ **Yes** ☐ **No**

Name of charitable organization (donee)	**Employer identification number**	
Address (number, street, and room or suite no.)	City or town, state, and ZIP code	
Authorized signature	Title	Date

Stock & Mutual Fund Contributions

- Recording the Donation (Charity's Perspective)

▶ Date of Contribution

- The date the charity receives control of the stock in its brokerage account is the date of the gift.
  - If a member delivers the stock certificate to his/her financial institution or to the issuing corporation, the gift is completed on the date the stock is transferred on the books of the corporation. 1.170A-1(b)
- For mailed stock certificates, the postmarked date of mailing, if sent directly to the charity

Stock & Mutual Fund Contributions (continued)

- Recording the Donation (Charity's Perspective)

Why a Brokerage Account Is Needed

- **Legal and Practical Requirements**
  - Stock and mutual fund shares must be transferred to the charity's brokerage account to complete the gift
- **Control and Valuation**
  - The charity must have control of the securities to claim the gift as received
  - The date the securities are credited to the charity's account is the date of the gift for tax purposes
- **Facilitating Liquidation**
  - Most charities sell donated securities promptly; a brokerage account is necessary to execute the sale and receive proceeds
- **Recordkeeping and Compliance**
  - Brokerage statements provide essential documentation for IRS compliance and donor substantiation

Stock & Mutual Fund Contributions (continued)

- Recording the Donation (Charity's Perspective)

- **Publicly traded stock: Determining Fair Market Value (FMV)**

  For publicly traded stock for which there is an active market for the stocks or bonds on an exchange, over-the-counter market or elsewhere, the FMV is the average price between the highest and lowest selling prices on the valuation date.

  - **Example**: On the date of the contribution, the highest selling price per share was $11, and the lowest $9, the average price is $10.
    - IRS Publication 561

Stock & Mutual Fund Contributions (continued)

- Recording the Donation (Charity's Perspective)

- **Mutual Funds: Determining Fair Market Value (FMV)**
  - For mutual funds: Use the public redemption price (NAV = Net Asset Value calculated at the end of each trading day, do not consider any redemption or other selling fees) on the date of the gift.
  - For non-publicly traded securities: donor must determine FMV by a qualified appraisal, if valued at **more than** $10K.
- **Recording the gift**
  - Record the FMV as contribution revenue on the date of receipt.
  - Record any subsequent sale of the securities as a separate transaction; any gain or loss is not reported as contribution revenue, if material.
  - Maintain documentation: brokerage statements, acknowledgment letters, and Form 8283, if applicable.

Stock & Mutual Fund Contributions (continued)

- Recording the Donation (Charity's Perspective)

- **Reporting to the IRS**
  - The charity does not report the value to the donor; the donor is responsible for valuation and reporting on their tax return
- **Form 8282**
  - Does not apply to publicly held stock that was donated
  - Applies to Privately Held Stock (Non-Publicly Traded Securities)
  - A charity is required to file Form 8282 if it sells, exchanges, or otherwise disposes of donated privately held stock (or any other non-cash property, except money and publicly traded securities) within 3 years after the date the original charity donee received the property, provided the claimed value of the property (or group of similar items) exceeds $5,000 on date of contribution and Form 8283 section B signed by the charity

Stock & Mutual Fund Contributions (continued)

Step by Step Process for Accepting and Recording Stock/Mutual Fund Donations

1. **Donor Initiates Transfer**
   - Donor contacts their broker to transfer shares to the charity's brokerage account
   - Charity provides transfer instructions (account number, DTC number, broker contact)
2. **Charity Confirms Receipt**
   - Monitor brokerage account for incoming shares
   - Confirm receipt with donor (date, number of shares, security name)
3. **Acknowledge the Gift**
   - Send contemporaneous written acknowledgment to donor (do not state value), but do include date charity received and number of shares or units
   - Include all required IRS language
4. **Record the Gift**
   - Record FMV as of the date of receipt in accounting records
   - Prepare for Form 8283 signature if requested by donor

Stock & Mutual Fund Contributions (continued)

Special Considerations

1. **Mutual Fund Shares**
   - May require additional paperwork and time to transfer; process can take several days
2. **Non-Publicly Traded Securities**
   - More complex; may require board approval, legal review, and a qualified appraisal
3. **Donor Advised Funds**
   - Donors may use DAFs to make gifts of appreciated securities; reporting requirements may differ

Stock & Mutual Fund Contributions (continued)

Common Pitfalls and How to Avoid Them

- Failing to have a brokerage account in place before soliciting gifts of stock.
- Not providing a timely acknowledgment letter with all required IRS language.
- Misstating the value of the gift in the acknowledgment letter (charity should not state value).
- Not completing or signing Form 8283 when required.
- Failing to file Form 8282 after selling donated securities within three years.

Vehicles, Boats, and Airplanes Contributions

- **What is a "Qualified Vehicle"**
  - Motor vehicles manufactured for use on public roads, boats, and airplanes
  - Excludes property held for sale (e.g., dealer inventory)
- **B. When is Form 1098-C Required?**
  - Required if the claimed value of the donated vehicle, boat, or airplane exceeds $500
  - Not required for gifts valued at $500 or less, but acknowledgment still needed

See Church and Clergy Tax Guide, 2025 edition, Chap. 8, p.381 - 389

Vehicles, Boats, and Airplanes Contributions (continued)

- **IF SOLD:**
  - Those who donate a car to charity cannot claim the “fair market value” if there was no significant charitable use before it was sold and no material improvements.
  - The deduction is limited to the gross proceeds received by the charity from the sale. Unless sold significantly below FMV to a needy individual.
  - No appraisal is required if the donor’s deduction is limited to the gross proceeds of the car.

- **Form 1098-C**
  - Provide to donor within 30 days of the sale (or provide similar information in a written acknowledgment).
  - File 2025 sales of donated vehicles with the IRS by February 28, 2026 (March 31, 2026 if filed electronically).

See Church and Clergy Tax Guide, 2025 edition, Chap. 8, p. 381 - 389

Noncash Contributions –Vehicles Sold

(same rules apply to donations of boats and planes)

DONEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	1 Date of contribution	OMB No. 1545-1959 Form **1098-C** (Rev. April 2025)
	2a Odometer mileage	For calendar year
	2b Year / 2c Make / 2d Model	
DONEE'S TIN / DONOR'S TIN	3 Vehicle or other identification number	
DONOR'S name	4a ☐ Donee certifies that vehicle was sold in arm's length transaction to unrelated party	
Street address (including apt. no.)	4b Date of sale	
City or town, state or province, country, and ZIP or foreign postal code	4c Gross proceeds from sale (see instructions) $	

Contributions of Motor Vehicles, Boats, and Airplanes

Boxes in Yellow are always completed

Boxes in Blue are only completed if vehicle is sold

Copy A

Skip boxes 5 a, b & c

6a Did you provide goods or services in exchange for the vehicle? . . . . . ▶ Yes ☐ No ☐
6b Value of goods and services provided in exchange for the vehicle $
6c Describe the goods and services, if any, that were provided. If this box is checked, donee certifies that the goods and services consisted solely of intangible religious benefits . . . . . ▶ ☐

Noncash Contributions -Vehicles

(same rules apply to donations of boats and planes)

- **Special rules when:**

1. the vehicle is significantly used by charity,
2. the charity materially improves the vehicle, or
3. the charity transfers the vehicle to a needy person for significantly below market value in furtherance of its charitable purposes:
    - Those who donate a car to charity claim the “fair market value”
    - An appraisal is required for a deduction exceeding $5,000

- **Form 1098-C**
    - Provide to donor within 30 days of the contribution of the vehicle (or provide similar information in a written acknowledgment)
    - File 2025 sales of donated vehicles with the IRS by February 28, 2026 (March 31, 2026 if filed electronically)

Noncash Contributions –Vehicles Not Sold

(same rules apply to donations of boats and planes)

DONEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	1 Date of contribution	OMB No. 1545-1959 Form **1098-C** (Rev. April 2025) For calendar year
	2a Odometer mileage	
	2b Year / 2c Make / 2d Model	
DONEE'S TIN / DONOR'S TIN	3 Vehicle or other identification number	
DONOR'S name	4a ☐ Donee certifies that vehicle was sold in arm's length transaction to unrelated party	
Street address (including apt. no.)	4b Date of sale	
City or town, state or province, country, and ZIP or foreign postal code	4c Gross proceeds from sale (see instructions) $	

Contributions of Motor Vehicles, Boats, and Airplanes

Boxes in Yellow are always completed

Boxes in Blue are only completed if vehicle is sold

Copy A

Skip boxes 4 a, b & c if not sold

6a Did you provide goods or services in exchange for the vehicle? . . . . . ▶ Yes ☐ No ☐
6b Value of goods and services provided in exchange for the vehicle $
6c Describe the goods and services, if any, that were provided. If this box is checked, donee certifies that the goods and services consisted solely of intangible religious benefits . . . . . ▶ ☐

Noncash Contributions –Vehicles Not Sold (continued)

(same rules apply to donations of boats and planes)

Complete boxes 5a, b & c if not sold, as applicable:

5a ☐	Donee certifies that vehicle will not be transferred for money, other property, or services before completion of material improvements or significant intervening use
5b ☐	Donee certifies that vehicle is to be transferred to a needy individual for significantly below fair market value in furtherance of donee's charitable purpose
5c	Donee certifies the following detailed description of material improvements or significant intervening use and duration of use

Complete box if the vehicle value was $500 or less:

7	Under the law, the donor may not claim a deduction of more than $500 for this vehicle if this box is checked . . . . . ▶ ☐

Cryptocurrency

- **What is a “Cryptocurrency”?**
  - **Digital money that lives on the internet.** Instead of being printed like dollars or controlled by banks, it’s powered by computer networks that keep track of who owns what. People can send it to each other directly, kind of like emailing money, and the system uses special math (cryptography) to make sure it’s safe and hard to fake. Cryptocurrency is like internet cash you can spend directly with people or businesses, without needing a bank to handle it.
- **How is it used?**
  - Imagine you walk into a coffee shop and instead of paying with cash or swiping your card, you pull out your phone and send the café some **Bitcoin**. The payment goes straight from you to them—no bank in the middle, no waiting for approval. Within seconds, the café sees the money in their digital wallet, and you get your latte.

Understanding Cryptocurrency as a Charitable Gift

A. How Crypto Donations Differ from Cash Gifts

- Treated as “noncash property” for tax and reporting purposes
- Implications for both donor and done.

B. General Deduction Rules for Noncash Gifts

- < $250: Receipt or reliable written records
- $250–$500: Contemporaneous written acknowledgment (CWA) from charity
- $500–$5,000: CWA + Form 8283 Section A
- >$5,000: CWA + Form 8283 Section B + qualified appraiser to sign, but appraisal not generally required to be attached (required for crypto)
- $500,000: All above + attach qualified appraisal to return

Understanding Cryptocurrency as a Charitable Gift (continued)

C. Qualified Appraisal Requirement

- For crypto gifts valued at over $5,000
- Cryptocurrency is not a “publicly traded security” for this purpose
- Appraisal must be by a qualified appraiser with experience in crypto valuation
- Appraisal must meet IRS standards and be obtained before the return is filed

D. Donor Reporting

- Schedule A (Form 1040) for itemized deductions
- Form 8283 (Section A or B as appropriate)
- Attach appraisal if required

Understanding Cryptocurrency as a Charitable Gift (continued)

E. Acknowledgment to Donor

- Must provide a contemporaneous written acknowledgment (CWA) for gifts ≥ $250
  - Description of property (type and amount of crypto)
  - Date of contribution
  - Statement of whether any goods/services were provided in exchange (and value, if so)
  - Statement if only intangible religious benefits were provided
- Best practice: include wallet address, transaction ID, and FMV at receipt (for donor's records)

F. Completing Form 8283

- For gifts > $5,000, donor will request the organization complete and sign Part V (Donee Acknowledgment) of Form 8283
- Organization's signature acknowledges receipt, not agreement with value
- Return the signed form to the donor promptly

Understanding Cryptocurrency as a Charitable Gift (continued)

G. Form 8282: Donee Information Return

- If the organization sells, exchanges, or otherwise disposes of the crypto within 3 years, must file Form 8282 with the IRS and provide a copy to the donor within 125 days of disposition
- Report date of disposition, amount received, and description of property

H. Form 990 – Schedule M

- If required to file Form 990, report noncash contributions (including crypto) on Schedule M

Understanding Cryptocurrency as a Charitable Gift (continued)

I. Recording Crypto Donations in the Organization's Books

- **1. Initial Recording**
  - Record at FMV on the date received (in U.S. dollars)
  - Document the transaction: date, time, wallet address, transaction ID, FMV, and source of valuation
- **2. Accounting for Subsequent Changes in Value**
  - If crypto is held and later sold, recognize gain or loss (difference between FMV at receipt and sale price)
  - Generally any gain is NOT considered unrelated business income
- **3. Internal Controls and Security**
  - Establish secure wallets and access controls
  - Document procedures for accepting, holding, and liquidating crypto
  - Segregate duties for receipt, custody, and disposition
- **4. Best Practices for Bookkeeping**
  - Maintain detailed records for each crypto donation
  - Reconcile crypto wallet balances regularly
  - Retain all supporting documentation (acknowledgments, appraisals, Form 8283, etc.)

Understanding Cryptocurrency as a Charitable Gift (continued)

J. Practical Tips for Churches and Ministries

- **1. Develop a Written Policy for Accepting Crypto Donations**
  - Specify which types of crypto will be accepted
  - Outline procedures for receipt, acknowledgment, and liquidation
- **2. Educate Staff and Volunteers**
  - Train on IRS requirements, security, and donor communication
- **3. Communicate Clearly with Donors**
  - Provide guidance on substantiation and appraisal requirements
  - Encourage donors to consult their tax advisors
- **4. Work with Qualified Professionals**
  - Engage CPAs, legal counsel, and appraisers with crypto experience.

Understanding Cryptocurrency as a Charitable Gift (continued)

K. Common Pitfalls to Avoid

- **Failing to provide proper acknowledgment**
- **Not completing or returning Form 8283**
- **Accepting crypto without proper security or controls**
- **Not filing Form 8282 after disposition**
- **Inadequate documentation of FMV or appraisal**

Resources

- Prior Webinar: “Receipting 2022 Charitable Contributions”
  - IRS rules for receipting contributions
  - Year to receipt contributions
  - Handling designated contributions
  - IRS rules for deducting unreimbursed charitable travel
  - Donations of household goods
  - Receipting contributions in exchange for auctions, raffles, or when meals are provided
  - Receipting tax-free distributions from IRAs

- Church & Clergy Tax Guide by Richard Hammar
  - https://store.churchlawandtax.com/2025-church-clergy-tax-guide/

IRS Resources

- IRS Form 8283 Instructions
- IRS Form 8282: Donee Information Return
- IRS Publication 526: Charitable Contributions
- IRS Publication 561: Determining the Value of Donated Property
- IRS Publication 590-A: Contributions to Individual Retirement Arrangements (IRAs)
- IRS Publication 1771: Charitable Contributions - Substantiation and Disclosure Requirements
- IRS Publication 1828: Tax Guide for Churches and Religious Organizations
- IRS Publication 4303: Tax Guide for Churches and Religious Organizations

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All CPE codes are provided in the presentation via polls

Next Webinar

Wednesday January 14, 2026

IRS Compensation Reporting and
Washington Sales Tax on Live Presentations

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