Non-Cash Charitable Donations

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Non-Cash Charitable Contributions

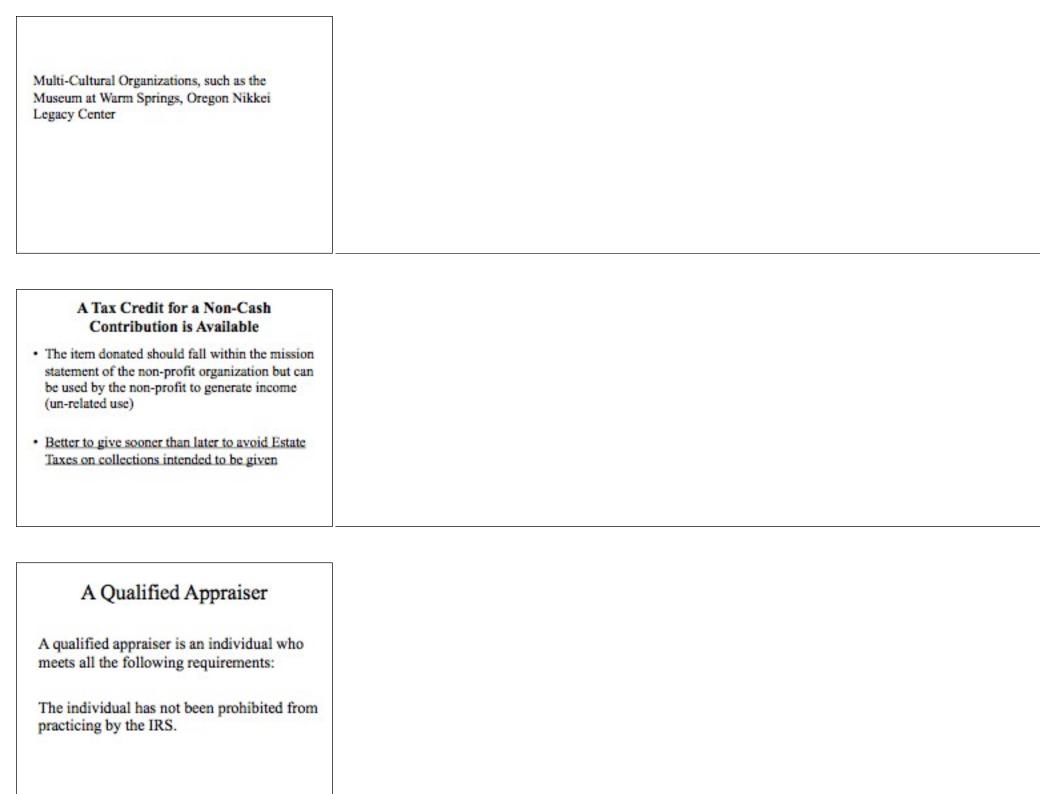
Many non-profit organizations want noncash items which they can re-sell or use for the mission of their non-profit organization.

For example:

The Oregon Historical Society takes vintage clothing and historic photographs for its exhibits

Concordia University wants old books for its library for students to use and to sell to buy new books for the library





The individual either:

- Has earned an appraisal designation from a recognized professional appraiser organization for demonstrated competency in valuing the type of property being appraised, or
- Has met certain minimum education and experience requirements

The individual regularly prepares appraisals for which he or she is paid

The individual has verifiable education and experience in valuing the type of property being appraised. Appraisers demonstrate this by making a declaration in the appraisal of their background, experience, education, and membership in professional associations

Helpful Internal Revenue Service Publications

- •IRS Publication 526 Charitable Contributions
- •IRS Publication 561 Determining the Value of Donated Property
- •IRS form 8283 & Instructions, Non-eash Charitable Contributions

These publications are revised regularly

Different types of appraisers

Real Estate – real property appraisals, federal & state regulated

Business Valuations – appraisals of businesses; federal & state regulated

Fine Art – appraisals of fine art, includes painting, sculpture, decorative arts, historical memorabilia, textiles, and others; federal & state regulated

Personal Property – appraisals of collectibles, coins, stamps, boats, motor vehicles, farm equipment weaponry, books, manuscripts, ephemera; federal & state regulated

Gems & Jewelry – appraisals of gems, metals, jewelry, usually GIA certified; federal & state regulated

USPAP

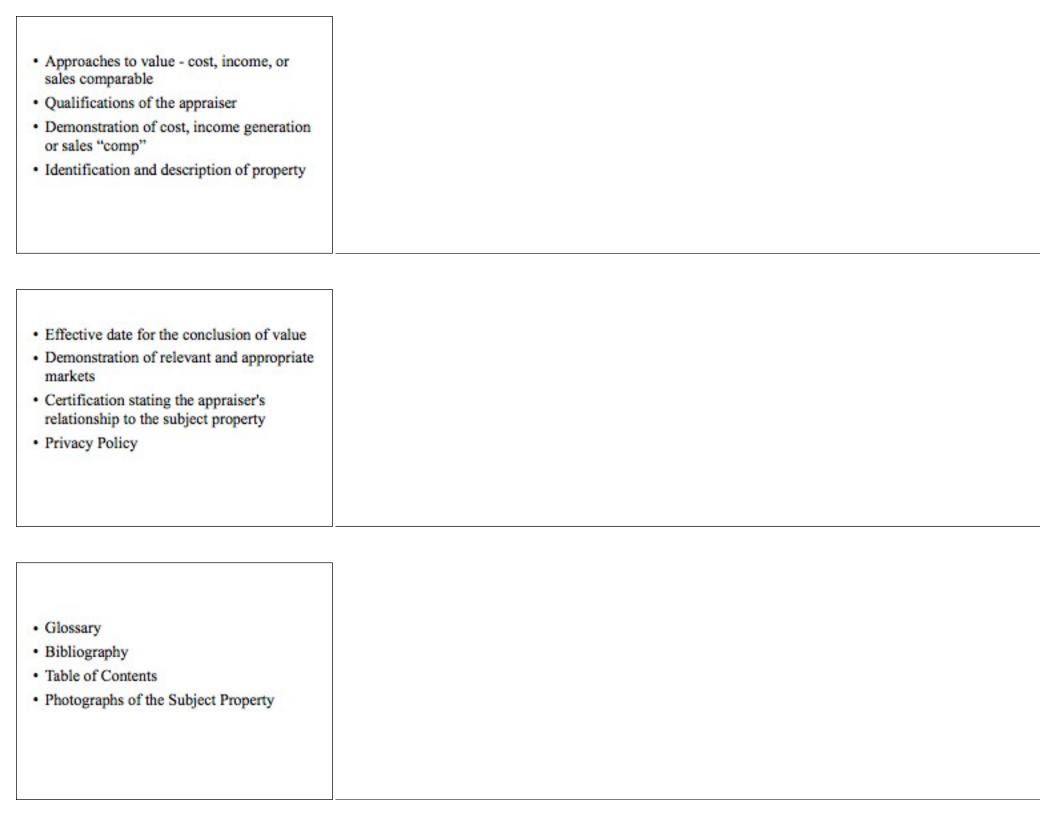
- Uniform Standards of Professional Appraisal Practice (USPAP) is the quality control standards for appraisals of real property, personal property, intangibles, and business valuation
- USPAP, as it is commonly called, was first developed in the 1980s by a joint committee representing the major U.S. and Canadian appraisal organizations

 The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) authorized the Appraisal Subcommittee (ASC), which is made up of representatives of the leading U.S. government agencies and nongovernmental organizations empowered to oversee the U.S. mortgage and banking system. The ASC provides oversight to TAF (The Appraisal Foundation)

- TAF carries out its work through two divisions the Appraisal Standards Board (ASB) and the Appraisal Qualifications Board (AQB). The AQB establishes guidelines for appraisal licensure. The ASB maintains USPAP, and issues updates in January of even numbered years
- All US states and territories require appraisal licensure for valuation work performed for Federally regulated institutions; however, 35 states and territories in the US require appraisal licensure for all valuation work performed, whether Federally regulated or for other use

Essential Contents of an Appraisal

- · Letter of Transmittal
- Identification of client, intended use, and intended users of the appraisal
- Limiting conditions or assumptions made by the appraiser



Assignment Conditions

- A partnership between the client, the intended use, the intended users, and the appraiser
- Terms and conditions to be met, such as completion of report, fee schedule
- Clear letter of engagement should outline these – and should be re-stated in appraisal

Definitions of Fair Market Value

- There are several Federal Code of Regulations definitions for Fair Market Value as they relate to charitable contribution, gift or estate taxes, probate, estate planning, and equitable distribution of estates
- Be sure you know which definition applies

 Appraisers may not give tax advice, but are obligated to inform their clients about contents in IRS publications relating to the assignment. Appraisers are not investigators or an arm of law enforcement but are considered experts and may be used as witnesses











