



Diocese of
OWENSBORO

CONTRIBUTIONS

Parishes must maintain a record-keeping system that tracks contributions by parishioner (e.g., PDS Church Office Program). The system should, at a minimum, provide the following information:

- Parishioner name, address, family members
- Weekly contribution amount
- Total annual contribution amount

Records should also be maintained for periodic contributions from non-parishioners and/or corporations.

Acknowledgement of Contributions

Parishes are required to provide parishioners with annual contribution statements which detail the amount contributed and indicate whether the amounts are tax deductible. The revised section 170(0)(8) of the Internal Revenue Code requires that an individual receive a receipt from an organization in order to take a charitable deduction on their tax return for individual gifts of \$250 or more. This includes Mass collections, contributions, capital campaign contributions and special gifts. These statements should be mailed by January 31 for the previous year's contributions.

Following is a list of contributions, which are tax deductible, and a list of payments which are not tax deductible. Please keep in mind, while it is the parish's responsibility to report contributions, the ultimate responsibility of tax deductibility rests with the taxpayer and IRS.

Tax Deductible Contributions

- Parish Tithing: Voluntary contributions received by a parish (e.g., Sunday mass contributions) are tax deductible and should be reported as such.
- Contributions for mass stipends are tax deductible and should be reported as such.
- Non-Cash Contributions: Non-cash contributions (e.g., property, stock) are normally deductible. However, it is the responsibility of the taxpayer to request an acknowledgement of any non-cash donation worth more than \$250. This acknowledgement should describe the gift and not set a value on the donation.

- Contributions for Fundraising Events: Normally, contributions for fundraising events include some sort of goods or service in return for the contribution. The value of the goods or service received is not tax deductible. For example, if a parish sells tickets for \$100 to attend a fundraising dinner and the contributor receives a dinner valued at \$25, only \$75 should be reported as tax deductible. For ease of reporting, announcements or tickets for fundraising events should contain a declaration informing the donor of the amount of contribution that is deductible. In the above example, the parish could print the following information on the ticket, "\$75 of Your Contribution is Tax Deductible."