

---

**From the desk of  
Peter S. Muffoletto, C.P.A.**

# **Year-End Charitable Tax Planning**

As the year end approaches it is time to start the planning and implementation of your charitable tax-saving strategies.

## **Consider your charitable giving before year end**

You may want to start looking into cleaning out the garage and those closets before winter sets in, and possibly finding those items that you no longer need or want, and get some tax benefits by donating those items to the charity of your choice.

A caution though, while many of the nationally recognized charities have cut costs by no longer providing someone to assist you in itemizing that receipt they provide you, there are a number of very well know charities that still do.

A blank receipt is as useless as none when it comes to explaining to the IRS what you donated. Should you decide to donate to one of those charities that do not assist you in providing an itemized receipt it is best to list all items being donated with a notation as to the original cost which can be an estimate, and the amount that would be reasonable based upon thrift shop values which generally is going to be ten cents on the original dollar no matter how new or unused that item might be. It is always best to have a third party indicate what you donated. The IRS tends not to question valuations that are in the range of ten cents on the dollar for donated items.

Should you be more magnanimous and want to donate funds to your favorite charity or church do so with a check made payable to that charity which must be registered with the IRS and compliant with the laws governing charitable organizations, or a recognized religion.

A relatively new development is the arena of donor advised funds.

These funds essentially allow you to obtain an immediate tax deduction for setting aside funds that will be used for future charitable donations.

Donor-advised funds are available through a number of major mutual fund companies, as well as universities and community foundations.

You essentially set up a fund in your own name with the charitable foundation, or university, and contribute money or securities to an account established in your name.

Many of these funds allow for a number of investment options and on your own timetable recommend grants to charities of your choice.

Generally the minimum for establishing a donor-advised fund is often \$10,000 or more but these funds can make sense if you want to obtain a tax deduction now and then later determine making payments to the recipient charity or charities.

Donor-advised funds can also be a way to establish a family philanthropic legacy without incurring the administrative costs and headaches of establishing a private foundation.

---

Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at [www.petemcpa.com](http://www.petemcpa.com)!

---

**We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.**

**Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at (818) 346-2160, or you can visit us on the web at [www.petemcpa.com](http://www.petemcpa.com)!**

**Providing individuals, small businesses, corporations,  
partnerships, professionals, and other business entities with the  
necessary guidance and answers for a complex world.**

IMPORTANT NOTICE

The contents of this email and any attachments to it may contain privileged and confidential information from Muffoletto & Company.

This information is only for the viewing or use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of, or the taking of any action in reliance upon, the information contained in this e-mail, or any of the attachments to this e-mail, is strictly prohibited and that this e-mail and all of the attachments to this e-mail, if any, must be immediately returned to Muffoletto & Company or destroyed and, in either case, this e-mail and all attachments to this e-mail must be immediately deleted from your computer without making any copies hereof.

If you have received this e-mail in error, please notify Muffoletto & Company by e-mail immediately.

To ensure compliance with Treasury Department regulations, we wish to inform you that, unless expressly stated otherwise in this communication (including any attachments) any tax advice that may be contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

**If you prefer not to remain on our email lists, please let us know. We will remove you as soon as you notify us.**

**You may do so by emailing us at**

**[pete@petemcpa.com](mailto:pete@petemcpa.com)**