



4-H Leader Tax Time Benefits

Record-keeping is one of the life skills we emphasize in the Wyoming 4-H program. As a 4-H volunteer you can practice what you teach by keeping records of your contributions to the 4-H program. These records can help reduce your income tax bill and possibly save you money. Reducing your tax bill isn't selfish; instead, it gives you more money available for the good things you want to do!

Your contributions to any aspect of the Wyoming 4-H program, whether made in cash or in goods contributed, are tax deductible if you itemize deductions on Schedule A of Form 1040. In addition, some expenses you incur in your 4-H work are also deductible.

Cash Contributions

Cash contributions you make to the 4-H program are deductible because 4-H entities are designated by the IRS as qualified organizations.

Records and Receipts. For all cash contributions, records and receipts are needed in case you are asked to prove the contribution. Receipts and/or cancelled checks are required to prove the contribution – a written record of cash contributions are not sufficient. For any contribution over \$250, the organization must provide you with a written acknowledgement of the contribution which makes it clear whether you received (or did not receive) any tangible benefit in return for the contribution.

Raffles, auctions, fund-raisers. When you receive something tangible in exchange for a contribution, the contribution is not deductible except to the extent it exceeds the actual fair market value of the goods or services received. Therefore, most purchases of goods through fund-raisers (candy bars, spaghetti dinners, etc.) are not deductible. At a charity auction, a portion of the price may be deductible; for example if an item's fair market value is \$25, but you paid \$40 for it, you would be

able to deduct \$15 as a charitable contribution. Purchases of raffle tickets are not tax deductible, even if the raffle is to benefit a non-profit organization. Likewise, the cost of playing bingo or other games of chance is also not deductible.

Contributions of Goods

When you purchase items needed by the 4-H club and are then reimbursed by the club, this has no effect on your taxes. If you purchase items needed by the club and do not receive reimbursement, you may include that as a tax deduction. If possible, keep the sales receipt for the items you donated. If that is not possible, ask the club secretary, treasurer, or another leader to write a receipt acknowledging the contribution and its value (have them sign and date the receipt). Note that purchasing supplies to be used by your child to make a project which they will keep and use is not tax deductible.

Examples:

- Supplies for your club's educational or community service activity
- Snacks purchased for the club
- Trophies or prizes purchased for competition winners

If you make a contribution that is worth more than \$250 but not more than \$500, you must get and keep an acknowledgement of your contribution from the 4-H club or program. If you made more than one contribution of \$250 or more, you must have either a separate acknowledgement for each or one acknowledgement that shows your total contributions. For information about deductions for non-cash contributions exceeding \$500, see IRS Publication 561.

Deducting Your Expenses

As a 4-H volunteer, your biggest contributions are your energy, skills, and time. There are no tax deductions for the value of your time or of any services you provide, but there is a deduction for expenses you incur in providing those services. To be deductible, the expenses must meet all four of the following criteria:

- a) Unreimbursed
- b) Directly connected with the services
- c) Expenses you incurred only because of the services you gave, and
- d) Not personal, living, or family expenses

Mileage. The most common volunteer expense deduction is for mileage. When you travel in order to carry out your duties as a 4-H volunteer, you can deduct the actual cost of gas and oil; if you do not keep track of actual expenses, you can deduct 14 cents per mile driven (2006-2007 figure). Keep accurate records of the purpose, date and time of each trip. Examples of deductible trips:

- Travel from your home to the Extension office to drop off 4-H enrollments
- Travel from home to the Fairgrounds to supervise 4-Hers setting up the club's booth
- Travel to a club outing (park, museum, etc.)

Because the expenses must be incurred only for the services you gave (item c above), not every trip to the Extension Office may be deductible. For example, if you went into town for groceries, and also stopped at the Extension Office to pick up a form, that trip was not made only for volunteer purposes, and would not be deductible.

Exclude family expenses. Expenses you incur specifically for the benefit of your own family members are not tax deductible. Two examples to illustrate: If you drive extra miles on your way to a 4-H event in order to pick up your own child who had spent the night with a friend, the extra miles would not be deductible. However, if you drive out of your way to give a ride to some 4-Hers who could not otherwise participate in the event, those miles would be deductible.

Other Travel Expenses.

Parking fees and tolls related to a volunteer trip are deductible. Meal expenses that are necessary to your volunteer role for 4-H are deductible only if you are away from home overnight. Necessary hotel costs are deductible, as are costs for air, rail, bus, or taxi transportation. If, however, you did not have an important role in the trip or activity (perhaps you simply went along so that you could share the activity with the 4-Hers), then your expenses are not deductible.

As a general rule, you can claim a charitable contribution deduction for travel expenses necessary in your role as volunteer for a charitable organization only if there is no significant element of personal pleasure, recreation, or vacation in the travel. Examples: If you traveled to a lake recreation area and stayed a week, helping at a 4-H camp every morning but spending the rest of the day on your own activities, your trip would not be deductible. By contrast, if you helped with the camp full-time and your presence was necessary to its success, and you enjoyed the work you did with the 4-Hers, your expenses would be deductible. [Key point: The simple fact of enjoying your 4-H work does not prevent the expenses from being deductible!]

For complete details, see IRS Publication 526, Charitable Contributions, available at www.irs.gov

Adapted from Iowa State Publication by B. Wollan.

4-H Leader's Record of 4-H Related Tax Deductions

Your contributions to a 4-H club, the county 4-H program, or the 4-H foundation, whether made in cash or in goods contributed, are tax deductible if you itemize deductions on Schedule A of Form 1040. In addition, some expenses you incur in your 4-H work are also deductible.

This chart will help you keep a record of your tax-deductible expenses. Keep a copy in one or more places that will be convenient for record-keeping – perhaps in your 4-H leader notebook or folder; on a clipboard in the car, or on your desk at home. Write down expenses as you go along – that is the best way to make sure your record is accurate, and it is also the easiest way to keep your record current. Designate an envelope or other container as the place where you will keep the needed receipts.

Date	Item or Purpose	Cash Contrib ¹	Cost of Item Donated ¹	Miles Driven ²	Other Travel Expense	Notes

¹ keep receipt on file
² note time and destination