

Disclaimer: We are not tax experts and you should confirm any of the following with your accountant or the IRS website.

Guide: Donating a Vehicle to a 508(c)(1)(A)

Step 1: Understand the Church's Status

A 508(c)(1)(A) unincorporated church is automatically a tax exception under the Constitution. As such, there is no IRS determination letter, although we do have an EIN number for banking purposes.

Step 2: Determine the Vehicle's Fair Market Value (FMV)

Use a reputable guide to determine value based on make and model, condition, mileage, and local demand. i.e. Kelley Blue Book

If FMV exceeds \$5000.00, a qualified appraisal is required. Print or save documentation for your tax file.

Step 3: Transfer the Title

Sign the title over to the church and retain copies of transfer documents. This releases your liability and confirms ownership transfer.

Step 4: Obtain a Written Acknowledgement

The church should provide a written acknowledgement that includes: donor name, vehicle details, (year, make, model, VIN), date, and a statement confirming whether or not you received any goods or services in exchange for your donation.

Step 5: Determine the Church's Use or Disposal of the Vehicle

If the church keeps and uses the vehicle for ministry work, you can deduct the FMV. If it sells the vehicle, your deduction is limited to the gross sale amount reported by the church.

Step 6: IRS Forms

Use IRS Form 8283 for noncash donation over \$500.

Fill out Section A for \$500 or less.

If value is over \$5000.00, you will complete Section B which requires an appraisal.

Step 7: Claiming your deduction on Schedule A

You will need to itemize your deductions.

Report the gift under "Gifts to Charity" on Schedule A (Form 1040). Attach your acknowledgment letter and Form 8283.

Step 8: Maintain Records

It is suggested to keep a copy of all of the digital/paper documents and even photos for your records.