



La Crosse Area Synod
Evangelical Lutheran Church in America
God's Work. Our Hands.

Rev. Jim Arends, Bishop

Rev. Elizabeth Howe, Dir. for Evangelical Mission/Asst. to the Bishop

TAX INFORMATION FOR CHURCH VOLUNTEERS

Dear Volunteer,

Your church greatly appreciates the time, energy and out-of-pocket costs you devote to its mission. The federal government encourages volunteers like you also, and treats some of your costs as charitable contributions you can deduct on your income tax return if you itemize. This letter tells you about the tax aspects of the costs you incur in rendering gratuitous services.

You may deduct unreimbursed expenses that you incur incidental to your volunteer work. So mileage or fares spent in going from home to church to attend committee meetings or perform other volunteer services, as well as phone calls, postage stamps, stationery, and similar out-of-pocket costs, are deductible as charitable donations.

You may deduct 14 cents per mile on your tax return *in lieu of* computing the costs of operating your car while doing volunteer work. If you use the cents-per-mile method, you may also deduct your unreimbursed parking costs. Be sure to keep good odometer records. If you prefer, you can deduct your actual allowable expenses for gas and oil, provided you keep proper records. However, insurance and depreciation on your car are not deductible.

If you travel as a volunteer and must be away from home overnight, reasonable payments for meals and lodging, as well as your transportation costs, are deductible. Your out-of-pocket costs at a convention or assembly are deductible only if you are chosen as a delegate.

To deduct unreimbursed expenses of \$250 or more you must substantiate the deduction with a written receipt and have the receipt in hand **BEFORE** you file your income tax return. If you file your return after the due date (or after an extended due date), the receipt must nevertheless have been in your hand by the due date (plus any extensions).

A volunteer who has unreimbursed expenditures of \$250 or more while providing volunteer services to a charity is treated as having obtained a receipt from the charity (and thus may deduct those expenses) if the volunteer has adequate records for his or her volunteer expenses (those generally required to substantiate deductions) and obtains an abbreviated receipt from the charity. The receipt must contain: 1) a description of the volunteer's services; 2) a statement whether the charity provided any goods or services in exchange for the unreimbursed expenses; 3) a description and good faith estimate of the value of any goods or services provided (if the goods or services provided consist of any intangible religious benefits, the receipt must so state); and 4) if no goods or services were provided, the receipt must so state.

You may not deduct travel expenses as charitable gifts if there is a significant element of personal pleasure, recreation or vacation in the travel. But enjoying your volunteer work does not rule out a deduction. For example, a leader for a church youth group who takes youth on a camping trip may deduct qualifying travel expenses even if he or she enjoys the trip or likes supervising youth.

You may also deduct unreimbursed expenses you incur in operating your personal property while performing your volunteer work (e.g., the cost of film in using your camera). You may not deduct insurance and depreciation or the cost of the equipment.

And you may not deduct the value of your services. For example, suppose the prevailing rate for the services you render is \$20 per hour. If you devote 100 hours during the year rendering those services, you may not deduct the \$2000 value of your services. Although deductions are allowed for personal gifts, the IRS does not consider your services "property." Also, the use of your home for meetings is not a "property contribution."

Finally, it is up to you to substantiate your deductions if the IRS questions them. Be prepared to prove your costs with canceled checks, receipted bills, diary entries, etc. Also, be ready to show the connection between the costs and your volunteer work.

Thank you again for your good work. I hope this information is helpful.

Peace,

Derek Jackson, Synod Treasurer
La Crosse Area Synod, ELCA