The end of the year looms, and so does the tax man. Now is the time to look for ways to reduce your tax liability for the year.

Charitable giving provides an opportunity for tax savings. The amount of tax savings depends on your tax bracket and other factors. However, making a charitable gift is more than just careful tax planning; it is also an opportunity to make a difference in your community.

If you make a contribution to a group that is considered a “qualified tax-exempt organization” by the IRS, you can deduct it when you itemize your taxes, but there are a few rules you must follow.

To deduct any charitable donation of money, regardless of amount, you must have a bank record or a written communication from the charity showing the name of the charity and the date and amount of the contribution. Acceptable bank records are canceled checks, bank or credit union statements, and credit card statements. Bank statements should show the name of the charity, the date, and the amount paid. Credit card statements should also show the transaction posting date.

Donations of money include those made in cash or by check, electronic funds transfer, credit card, and payroll deduction. For payroll deductions, the taxpayer should retain a pay stub, a Form W-2 wage statement or other document furnished by the employer showing the total amount withheld for charity, along with the pledge card showing the name of the charity.

To help you plan your holiday-season and year-end giving, here are some more tips from the IRS:

- Contributions are deductible in the year made. So, donations charged to a credit card before the end of the year count for 2010 even if the credit card bill isn't paid until next year.
- Only donations to qualified organizations are tax-deductible. IRS Publication 78 lists most organizations that are qualified. In addition, churches, synagogues, temples, mosques and government agencies are eligible to receive deductible donations, even though they often are not listed in Publication 78.
• For individuals, only taxpayers who itemize their deductions on Form 1040 Schedule A can claim deductions for charitable contributions.
• For all donations of property, including clothing and household items, get from the charity, if possible, a receipt that includes the name of the charity, date of the contribution, and a reasonably-detailed description of the donated property. If a donation is left at a charity's unattended drop site, keep a written record of the donation that includes this information, as well as the fair market value of the property at the time of the donation and the method used to determine that value. Additional rules apply for a contribution of $250 or more.
• The deduction for a motor vehicle, boat or airplane donated to charity is usually limited to the gross proceeds from its sale. This rule applies if the claimed value of the vehicle is more than $500. Form 1098-C, or a similar statement, must be provided to the donor by the organization and attached to the donor's tax return.
• If the amount of a taxpayer's deduction for all noncash contributions is over $500, a properly-completed Form 8283 must be submitted with the tax return.

Donating at this time of year can reduce your tax bill, but more importantly, allows you to support your favorite charities.

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