CPA

Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Mar. 09, 2018



The Internal Revenue Service is warning taxpayers against scam groups masquerading as charitable organizations, luring people to make donations to groups or causes that don't actually qualify for a tax deduction.

These 'fake' charities attempt to attract donations from unsuspecting contributors, using a charitable reason and a tax deduction as bait for taxpayers. Fake charities are one of the "Dirty Dozen" tax scams for the 2018 filing season.

Compiled annually, the "Dirty Dozen" lists a variety of common scams that taxpayers may encounter anytime, but many of these schemes peak during filing season as

people prepare their tax returns or hire someone to prepare their taxes.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

those of respected, legitimate organizations. IRS.gov has a search feature, Exempt Organizations Select Check, that allows people to find legitimate, qualified charities to which donations may be tax-deductible. Legitimate charities will provide their Employer Identification Number (EIN), if requested, which can be used to verify their legitimacy through the IRS Select Check.

- Don't give out personal financial information, such as Social Security numbers or
 passwords, to anyone who solicits a contribution. Scam artists may use this
 information to steal identities and money from victims. Donors often use credit
 cards to make donations. Be cautious when disclosing credit card numbers to
 those seeking a donation. Confirm that those soliciting a donation are calling
 from a legitimate charity.
- Don't give or send cash. For security and tax record purposes, contribute by check or credit card or another way that provides documentation of the donation.
- Consult IRS Publication 526, Charitable Contributions, available on IRS.gov. This
 free booklet describes the tax rules that apply to making tax-deductible donations.
 Among other things, it provides complete details on what records to keep to help
 taxpayers at tax time.

Impersonation of charitable organizations

Another long-standing type of abuse or fraud involves scams that occur in the wake of significant natural disasters.

The IRS encourages taxpayers to donate to recognized charities established to help disaster victims. Following major disasters, it's common for scam artists to impersonate charities to get money or private information from well-intentioned taxpayers.

Scam artists can use a variety of tactics following a disaster. Some scammers

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Taxpayers can find legitimate and qualified charities with the Select Check search tool on IRS.gov.

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved