



Society of St. Vincent de Paul
Rockford Council
Vehicle Donation Policy

Vehicle Donation Policy for the Society of St. Vincent de Paul Rockford Council and Conferences

Scope This vehicle policy applies to all Conferences subordinate to the Rockford Council and reporting under the Federal Employer Identification Number 06-1640220.

Policy Due to IRS & State of Illinois regulations, increased insurance liabilities, unforeseen costs and manpower, Conferences are prohibited from accepting vehicle donations. (Direct person to person donations are not prohibited.)

The effort for creating a vehicle donation program or overseeing a third party agency to manage the program outweighs the benefits to the Council and Conferences. A successful program requires dedicated personnel, various duties and infrastructure: e.g. managing subcommittee and volunteers, storage facility, liability insurance, estimating fair market value, IRS filings and documentation, title transfer, towing services, and auto repair services.

The Diocesan Council must ensure that its tax-exempt status is maintained by complying with all applicable Federal and State requirements, including Internal Revenue Service (IRS) policies. From the IRS 'A Charity's Guide to Vehicle Donation' (Publication 4302 (Rev. 1-2015) Catalog Number 38161E Department of the Treasury Internal Revenue Service www.irs.gov):

- If a charity operates a vehicle donation program in a manner that confers improper benefits on private parties, the charity's exemption may be adversely affected.
- If the Society hires a private, for-profit entity as an agent to operate its vehicle donation program, the Society and the for-profit entity must establish an agency relationship that is valid under the applicable state law. In addition, without proper oversight and monitoring of the for-profit entity by the Society, violations of the IRS guidelines could jeopardize the Society's tax-exempt status.

Unless the Society has a dealer license the State of Illinois requires the vehicle title to be transferred to the charity before releasing the donor from future liabilities: e.g. subsequent parking tickets or if the vehicle is used in a crime. Complicating the process the title must be transferred a second time from the Society to a Friend in Need when donating the vehicle. Finally, without legal ownership the Society cannot provide written acknowledgement for the donation.

As an alternative for accepting vehicle donations the Society has a National CARS Program that can be used: <http://svdpusa.careasy.org/HOME.html> . The National CARS Program allows proceeds from a donated car to be distributed to the Conference from where the donation was made. The donor may qualify for a tax deduction and the Conference will receive the proceeds from the sale. The service that the National CARS Program uses will pick up the car and issues a gross receipt 30 days after the sale of the vehicle. They handle the required paperwork and tax filings.

The DejaVu Thrift Shops located in Geneva and Aurora are retail stores that collect and sell items to help the needy. To conduct its business activities DejaVu may accept vehicle donations. In addition, since DejaVu has the infrastructure for accepting/distributing items the retail stores will be permitted to accept vehicle donations under the following conditions. DejaVu will

- a. comply with all federal and state regulations,
- b. maintain appropriate liability insurance coverage,
- c. provide written acknowledgement of donation to the donor: i.e. Form 1098-C using Rockford Council's TIN number,
- d. donate or sell significantly below fair market value to a needy individual/family: box 5b Form 1098-C,
- e. provide Copy B of Form 1098-C to the donor 30 days after the vehicle is given to a needy individual/family,
- f. send all required documents to the Council for tax filing: e.g. Copy A of Form 1098-C.

Independent of the Society this policy does not prevent Vincentians from donating a vehicle directly to a Friend in Need. The donor should follow all State and Federal gifting regulations, confirm the Friend in Need has the necessary auto insurance, formally transfer the title at the Secretary of State's office, and have Friend in Need sign Affidavit of Gift: see the IRS 'A Donor's Guide to Vehicle Donation' (Publication 4303 (Rev. 1-2015) Catalog Number 38162P Department of the Treasury Internal Revenue Service www.irs.gov). **Remember that donations to individuals do not qualify for a tax deduction.** In addition if the donation exceeds the annual gift tax exclusion amount (\$15,000 in 2019), the donor must file a gift tax return and may owe gift tax.



IRS Charity Guide to
Vehicle Donation.pdf



IRS Donor's Guide to
Vehicle Donation.pdf



IRS Instructions
1098c.pdf



IRS Form 1098c.pdf