

Corporations may contribute up to 5 percent of their adjusted gross income to any charity. It is recommended that corporations never exceed this limit in their gifts.

A mere pledge is not considered to be a contribution and a contribution must actually be paid to entitle the donor to a deduction. Gifts of appreciated property generally avoid a tax on the attributed capital gains appreciation. All types of property may be used as gifts - the most frequently used are stock, life insurance, bonds and other types of intangible interest.

Life insurance may be given where there is an irrevocable assignment of the policy and the foundation is also named as irrevocable beneficiary. A transfer of property to a foundation may also be both a sale and a gift simultaneously. Where property is sold at less than market value the difference between the actual sale to the foundation and market value might be directed as a charitable gift; because recent cases have criticized or questioned charitable gifts made to foundations with limitations or strings