

Is it Worthwhile to Donate a Car?

There are charitable institutions that accept cars as a form of donation these days. Cars, although very expensive, can be a great help to the people who are under the care of such institutions. Other people think that donating a car is as easy as leaving it with any organization they come across with. It's not the case. There are things to consider so that you will have a smooth and fun experience in doing so.

Cars are very expensive nowadays! An individual can spend thousands of dollars just to buy a brand new car and even to have their license fixed. A stable person can cope with these expenses and still can eat more than what he or she only needs. A charity is only supported by some people, through their help the institution can outgrow the problems and somehow survive.

Charitable foundations have their own funds that are given by their donors. If there are no donors, there are no funds! A virtue like this is always carried by people, they don't often show it but they do have it. Virtues like trust, honesty, generosity and patience are the top ones. There is nothing wrong in helping these charitable institutions. In fact, it will make you feel in touch with your humanity.

The reason why charitable institutions accept vehicle donation is for the purpose of raising funds. It is either the charity or the dealer who will facilitate the selling of the donated vehicle, usually in bulk and through an auction. The lowest that a charity can get from each car would be about \$45.

Hence, donating cars is not something advertised or prevalent these days. Although there is such a thing, many people are not accustomed to this. There are only countries that practice this. One good example is the United States.

So that you will not be scammed, there are important steps you need to consider:

1. Make a list of the charitable institutions that accepts car donations. Trust your instinct; select the ones that pierce your interest. You can make a quick rundown to narrow down your choices. Do these until you come up with only one specific charity.
2. Before you donate your car, make sure that you do a little background check on the institution you will be dealing with. This will help you assess if it is legitimate or otherwise. One good establishment to check with for this type of background check is the Better Business Bureau.
3. Another way to check with regards to the background of the institution is through the State Attorney General.
4. Another option for more information about the organization is by asking them directly and to ask them for a legitimating proof of their authenticity. Check if they are eligible to receive car donations and if the sale is still tax deductible. This can be accomplished by asking them to show you their letter of determination, which they sent to the IRS and was sent and returned to them with an approval notice. It will indicate the charitable institutions so-called tax-exempt status. Thus, you can insist that you get a copy of this as well.
5. If you choose the latter, you need to be vigilant while talking to the people who run the charity. You need to listen to them attentively and read between the details they are saying.
6. If the institution tells you the 100% of your car's proceedings will go to the charity directly, it is a 100% lie as well. This is due to the fact that the organizations that deal with charitable institutions incur overhead expenses. Meaning, the proceedings of the vehicle, when sold, only 40% - 50% of these proceedings will be given to the charity. This is in order to cover the advertisement expenses, the incurred towing fees, salaries and the like.
7. Do not entrust your car to a middleman who will emphasize that they will be the ones to bring you car donation to a specific charity. This is due to the fact that only a percentage of the amount received from the sale of your car will only be provided. This is like merely donating \$100 out of the \$1000 sale of your car. What makes it more complicated is the fact that it is recognized legally. The middleman will only deduct the amount they had incurred while they were looking for your car's buyer.
8. Try to visit the charitable institution once or twice during the course of your transaction. You can have a tour around the place and understand what the funds will be for.
9. Once you have made the transaction and entrusted the charity with your car, ask for a receipt. It is best that the value of your car is indicated in this proof of transaction, for IRS purposes. Make sure you keep this receipt, for any untoward situations.
10. For instances where in your desired charity informs you that they will not be selling your vehicle and use it instead, they should present you with a letter or certification about their improvement intentions and plans for usage of your vehicle. There should also be an indication that the institution will

in no circumstance sell your car or have it used for personal purposes by other people who are not related to the institution. This written documentation is valid and legal. Any fraudulent or suspected scenario will hold the charitable institution liable and they will be asked to pay a penalty fee.

About the Author

For more information on [Car Donation](#) please visit our website.

Source: www.isnare.com

Source: <http://articles.exospy.com>