

## YOUTH OPPORTUNITY PROGRAM (YOP) TAX CREDITS

Make a real difference in the life of a YLC child ...AND lower your state taxes!

Thank you for considering a gift to the Youth Learning Center. Through your use of our Youth Opportunity Program (YOP) State Tax Credits, you can reduce your Missouri state tax liability by 50% of the amount of your gift.

What is YOP? It's a state-sponsored program that provides tax credits to donors who help non-profit organizations that make a positive difference in the lives of youth and thus the economic welfare of the state of Missouri.

How does the program work? Simply make your gift to the Youth Learning Center in support of our Resources for Learning Program. Your gift can take a variety of forms – cash, stocks, bonds, and many others. We'll send you a tax credit application good for 50% of your gift. The state of Missouri will provide you with verification of credits and the necessary documentation to file with your taxes.

Why does the state provide these credits? The state of Missouri wants to help not-for-profits AND its citizens. The State gives tax credits to reward eligible donors who fund youth programs. Essentially, this allows existing and new donors to support local projects with funds they would normally owe on their taxes. It's a win-win!

What if I don't owe anything this year in state taxes...or what if I am not able to use all of my credits this year? Even if you don't owe, you still have the state liability if you live or work in Missouri. Tax credits simply lower the amount for which you are responsible and you can receive a refund. If you aren't able to use all of your credits this year, you can use the remainder for up to five years.

Can I see an example of how tax credits work? Try this!

Cash donation to Youth Learning Center	\$ 5,000
Federal Tax Deduction (based on 35% bracket) reduces taxes by	\$-1,750
Missouri Tax Deduction (based on 6% tax rate) reduces taxes by	\$ -300
Missouri YOP tax credit (50% of gift) reduces the bottom line by	<u>\$-2,500</u>
Total Cost of your gift	\$ 450

How does this help a child at YLC? When you give through the YOP program today, you help us provide our Resources for Learning intensive, educational after-school program. Together, we really CAN make a difference!

If you have more questions or need further information about the Youth Learning Center, please contact Linda Haley, Chief Development Officer, at 314-531-9916. Thanks so much!

**Youth Opportunity Program (YOP)  
Documentation Requirements for Contributions**

*The following donation types are eligible for tax credits when contributed by individuals or qualifying Missouri businesses. Gifts must be in support of YLC's Youth Opportunities Program budget. Applications must include documentation as described below.*

**CASH CONTRIBUTIONS**

Required: Copy of both sides of the cancelled endorsed check(s) or a microfiche copy of the front side of the check(s) from the contributor's financial institution with the check number, amount of check, and date it was canceled listed directly above or below the front of the check. *Contributions in the form of a check must be made payable to and endorsed by the approved organization and specifically noted for the approved project. The date of the check is considered the date of donation.*

**CREDIT CARD CONTRIBUTIONS**

Required: Credit card statement with the donor's name and account number listed along with the pertinent charge to include the date of charge, recipient organization, and amount of charge.

**EMPLOYEE PAYROLL DEDUCTIONS**

Required: Initial form authorizing the organization to deduct money from the employee's paycheck, indicating the time frame for which the deduction is to take place, the amount of the deduction for each pay period, the number of pay periods and the total to be deducted which has both the employee's and employer's signatures. Also include the employee's last payroll stub to include all deductions for that time frame.

**REAL ESTATE CONTRIBUTIONS**

Required: Copy of the deed, copy of the environmental inspection report (if required), AND the required number of copies of the appraiser's reports performed by state-licensed or certified appraisers.  
*For residential property, if the value exceeds \$25,000, two appraisals are required.*  
*For commercial property, if the value exceeds \$50,000, two appraisals are required.*  
*In all other instances, one copy of the appraiser's report is required.*

**EQUIPMENT AND SUPPLIES**

Required: Copy of the invoice showing the cost to the donor or current fair market value, whichever is less. Sales tax and profit margin will not be included in the total of the donation. The YOP tax credits will be certified for the lower of cost or fair market value. Used equipment invoices must be submitted with an appraisal of the fair market value of donated item(s).

**STOCKS AND BONDS**

Required: Documentation of the transfer of stocks or bonds from the contributor to the organization indicating the name of the security, number of shares, date of donation, and market value on the date of donation. Transfer documentation should come from the contributor's stockbroker. Documentation of the sale of the stocks or bonds by the organization indicating the name of the security and number of shares (the sale of the stock documentation should come from the organization's stockbroker). The DED also requires a copy of the check from the brokerage agency.