



BACK TO SCHOOL SAVINGS

It seems like summer has just begun and the Back to School advertising blitz has already started. Are there tax savings tip opportunities? Certainly, if you are tax smart about your spending. While the amounts may be small, they can add up in a hurry. Here are some ideas:

- **Teachers, save your out-of-pocket expenses. There's a \$250 deduction for qualified educators out-of-pocket classroom expenses. This deduction can be taken even if you do not itemize your deductions.**
- **Purchasing the class supply list could have deductions in it. Often schools send a list of requested supplies for the school year. Some of the items are clearly for personal use (such as an erasure or a ruler) while other items on the list are often for school use and classroom use (such as 24 pencils or paper towels). This classroom supply technique effectively transfers the school expenses to our children. Keep track of these non-cash classroom/school donations for possible charitable deductions.**



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- **Donate funds versus buying the supplies. Instead of buying the classroom supplies yourself, consider providing a check written to the school as a donation. This helps in two ways: First, it becomes a clear cash donation with a canceled check as a receipt. Second, if your school has a good supply agreement, the purchasing power of your donation will go further.**
- **Get confirmation. Whenever you donate, get a written confirmation from the school or your child's teacher representing the school. This is a must if your donation is \$250 or more. Most teachers do not have the form, so bring one with you that the teacher can sign. You can get the directions on www.irs.gov or simply use a respected charitable group like Goodwill, or the Red Cross.**



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- **Leverage the school's PTA.** This non-profit parent group is a great resource to help your school AND help you get deductible donations for funds you would otherwise provide to your child's school.
- **Use checks not cash.** If you usually provide donations to the school in the form of cash (like providing additional money to help other kids go on field trips) make those donations in the form of a check. Cash donations without receipts are no longer deductible.
- **Donate funds versus taking the raffle ticket.** Raffles, subscription drives, and silent auctions are fun ways schools raise funds. To maximize your ability to deduct your donations, forego the possible prize. Then the entire donation is clearly deductible.



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- **Don't forget your out-of-pocket expenses for your volunteer activities. Perhaps you donate your time at school functions, donate books to the school library, or help assist the teaching staff. Your out of pocket expenses and your mileage should be tracked for charitable deduction purposes.**

Finally, don't forget to review state rules for educational expenses. There are often credits available for out-of-pocket school and other educational expenses.



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