



TAX 670 Milestone Two Guidelines and Rubric Charitable Giving

Overview: This milestone will help you complete Section II of the final project by creating the second memorandum for the charitable giving deduction scenario.

Prompt: You are a tax advisor and your client, Nora, owns and operates C-C Bakery (a C-Corp for tax purposes). She encounters three different tax scenarios on which she requests your advice. You are to research the relevant tax code and make recommendations to her in the form of a memorandum for each situation.

Nora has some further questions for you regarding her individual tax return and C-C Bakery. Her business has been doing extremely well, and she has decided to give back to her community. She would like to contribute \$70,000 in December of this year to the charitable and nonprofit Boys and Girls Club. She would like to know if she should contribute this from her business account (C-Corp) or her individual account (1040 return). She would also like to know if there are any tax advantages or limitations. Her bakery has been profitable, as her taxable income is projected to be around \$500,000 on this year's tax return. Her adjusted gross income on her individual return will be around \$350,000. She has made no further charitable contributions throughout the year. In a short memo, advise how she can take advantage of the deduction for the charitable contributions to her community via her individual return and/or corporate return. Be specific regarding code sections or any other primary or secondary sources. **You will find a memo template in Chapter 10 of the *Federal Tax Research* textbook.**

Specifically, the following **critical elements** must be addressed:

- II. Charitable Giving
 - A. **Identify sources** for evaluating appropriate tax situation
 - B. **Document research** performed to determine if charitable giving applies to tax year and specific limitations, describing results
 - C. **Apply research** to individual or business tax years and determine amount of deduction
 - D. **Document findings and advice** in a memorandum to the client, including supporting details

Rubric

Guidelines for Submission: Your paper must be submitted as a 2- to 3-page Microsoft Word document with double spacing, 12-point Times New Roman font, and one-inch margins. Cite appropriate academic references as necessary.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Charitable Giving: Identify Sources	Identifies sources for evaluating appropriate tax situation	Identifies sources for evaluating appropriate tax situation, but response contains errors or is illogical	Does not identify sources for evaluating appropriate tax situation	20
Charitable Giving: Document Research	Documents research performed to determine if charitable giving applies to tax year and specific limitations, and describes results	Documents research performed to determine if charitable giving applies to tax year and specific limitations, but result contains errors or is illogical	Does not document research performed to determine if charitable giving applies to tax year and specific limitations	20

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Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Charitable Giving: Apply Research	Applies research to individual or business tax years and determines amount of deduction	Applies research to individual or business tax years and determines amount of deduction, but application or calculation contains errors	Does not apply research to individual or business tax years and determine amount of deduction	25
Charitable Giving: Document Findings	Documents findings in a memorandum to client	Documents findings in a memorandum to client, but memo contains errors or is illogical	Does not document findings in a memorandum to client	25
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
Total				100%