

Vehicle Donation and Good Works' Transformation Station

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Anybody who used to listen to “Car Talk” on NPR will remember that one way of supporting public radio is to donate your car—or truck, or SUV, or boat, as Click and Clack would inform us. Call them up, have the vehicle towed away, and get the satisfaction having supported a good cause. Many charities and non-profits have similar fundraisers, where they take an unwanted vehicle off a donor’s hands and use it to support their charitable programs. It seems like a win-win, especially since the donor can claim a tax deduction too.

Unfortunately, the situation isn’t quite as simple as this. Charities do receive funds from vehicle donations, but it may be far less money than the donor imagines. Crucially, it may also be far less than they claim when filing taxes. How much is a donated car, say an older sedan that still runs, worth to your charity of choice? A thousand dollars? A couple hundred? Very few people realize that it may be as low as \$25. This is because most charities work with middlemen, companies that handle the collection and sale of the donated cars and in turn give the non-profit a flat fee or a small percentage of the vehicle’s price when sold. In either case, it is normal for your non-profit to only receive about \$50 from the sale of your donated car.

According to the United States General Accounting Office, more than two-thirds of charities with vehicle donation programs will receive 5% or less of a vehicle’s value as declared on the donor’s tax return, a fact which brings another problem to light. The IRS used to allow a deduction of a donated vehicle’s blue book value regardless of how the vehicle was used by a charity. A few years ago, however, they changed the rule so that only the amount of money the charity actually receives after all is said and done can be deducted—so only about \$50 in most

cases! Few people know about this, and many continue to make incorrect deductions after donating an old car. But deductions claimed for non-cash donations are one of the most common triggers of an audit, according to the American Institute of Philanthropy, which recommends that potential donors seek out a non-profit that uses donated vehicles in their programming rather than simply as a fundraiser.

There are not many of these, nationally. Fortunately for us, though, there is a unique non-profit right here in Athens that puts vehicles to very good use and is always welcoming donations of used but reliable cars, preferably small-to-mid-sized and good on gas mileage. This is the Transformation Station, a program of Good Works, Inc. Good Works provides the donated vehicles to individuals who need them in exchange for volunteer work in any of several of Good Works' other programs. Since transportation is absolutely crucial to economic and social prosperity in a rural area like Southeast Ohio, and since the purchase of a car is one of the single largest impediments to economic independence to many lower-income area residents, the Transformation station fits right into Good Works' goals of alleviating poverty in the region.

So how does the process work? A participant in the program earns "points" for every day or half-day worked at the Transformation Station. After 24 points, participants may take home a vehicle. Most people volunteer one day a week for twelve weeks, at two points per whole day. Cars, though, aren't the only item available at the Transformation Station. For varying numbers of points, people may also obtain food, appliances, and bicycles. Like all of Good Works' initiatives, the Transformation Station is built around the ideas of community and service, and the experience is meant to be affirming and meaningful to everyone involved. Since it started in 2004, the program has provided 164 vehicles to volunteers, who collectively have given more than 2000 hours of service to the community every year.

For more information on the Transformation Station, visit www.good-works.net/transformation-station/. If you would like to participate as a Transformation Station volunteer, call 740-594-3336. If you would like to donate a vehicle, an appliance, a bicycle, or food, please call the above number or contact email@good-works.net. And if you do donate a vehicle, its entire fair market value is tax-deductible!