

# Fiscal cliff threatens to hurt charities

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**WICHITA, Kansas** -- The clock is ticking for congress.

As the fiscal cliff looms closer, so does potential peril for charities across the country and right here in Kansas.

With just four days left to avoid the fiscal cliff, charities could be at risk of losing some funding from both the government and those who donate, with potential restrictions on how much you can write-off on taxes.

The ripple effects of the fiscal cliff could be felt as close as your local charity.

"The impact of the fiscal cliff could be very damaging," said Interfaith Ministries' Executive Director, Anne Corrison.

If a compromise isn't reached between democrats and republicans, it could force some non-profits , like Interfaith Ministries, into "survival mode," potentially cutting programs and staff.

"There might come a day when I would have to say we can no longer afford to run the Interfaith Inn," said Corrison.

Interfaith Inn houses about 50 homeless people and it relies almost completely on charitable donations. It is money that it could lose if congress decides to put a cap on itemized tax deductions.

It would limit the total that people can write off for mortgage interest, state taxes and charitable giving combined.

Officials fear that if a cap is in place, people won't give.

"It would greatly reduce the incentive if they didn't get a tax deduction for their generosity," said Corrison.

One local financial planner says even if congress doesn't make a decision by the new year and we go off the cliff, cuts in another form could still be headed to charities.

"If we have the arbitrary spending cuts of 8 to 10 percent across the board, that means that there will be less money given out, and to charities," said Jeff Stuke a financial planner with Stuke Financial Planning.

With so much uncertainty, for now, many are keeping a tight hold on their pocket-books and charities keeping their fingers tightly crossed.

Stuke says if we do go over the cliff and no decision is made as far as capping deductability, tax rates will go up.

In that case, he advises putting off your deductible charitable contributions until next year where they will be worth more, but, if you think congress will cap those deductions, it would be best to make your contributions before the new year.

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