How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Author: Joel Kristenson
Last Updated: 2016-02-08

Overview

This article is specific to **nonprofit** customers. It walks through the steps to search for donors to write a **year-end tax letter** to, how utilize the available contribution merge fields, and save the letter as a template. It also covers how to send the letter to households. The last section on mass updating the **tax deductible** amount for donations en masse (*fairly common task for nonprofit theater companies*).

Tip: Make sure all of your database users who are performing data entry record the correct **tax deductible** amount on the donation and/or event sale so that the year-end letter is printed out accurately. If you have a need to mass update the tax deductible amount for list of donations, such as event sales, you can do that from the **File** drop-down menu in the **Contributions** list (*covered in section #3*).

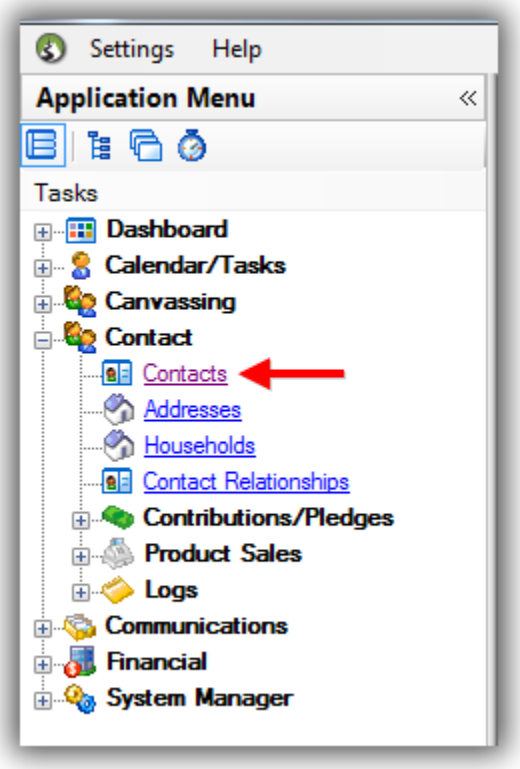
Outline

#1 Run your Search Query for Donors by Date Range, and Set your 'Date Range' Reporting Period
#2 Write the YE Tax Letter to Individuals and Save the Letter Template
#3 Mass Update the Tax Deductible Amount for Donations En Masse
#4 Related Resources

#1 – Run your Search Query for Donors by Date Range, and Set your 'Date Range' Reporting Period

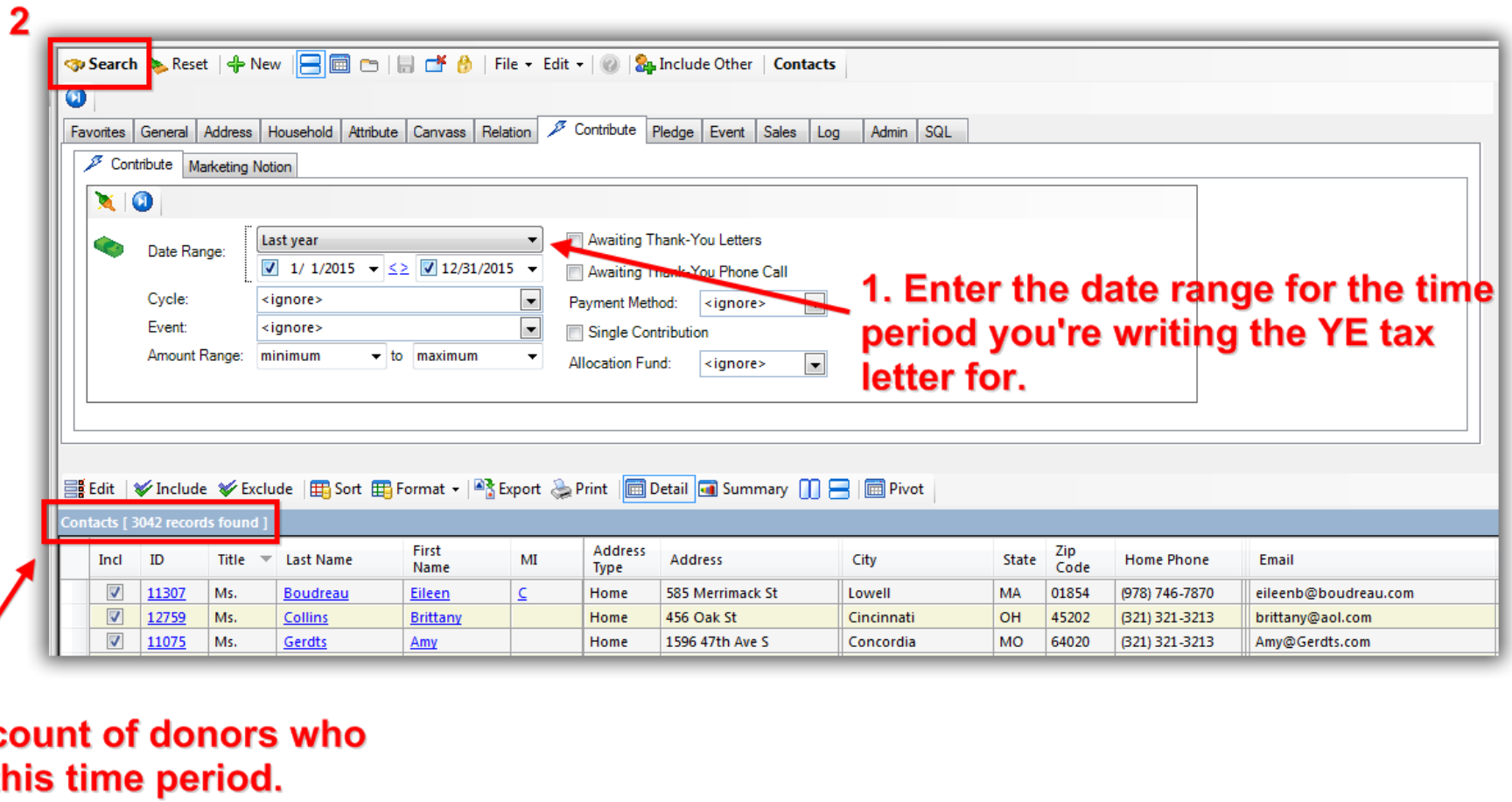
Navigate to the Contacts (*Donors*) list.

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



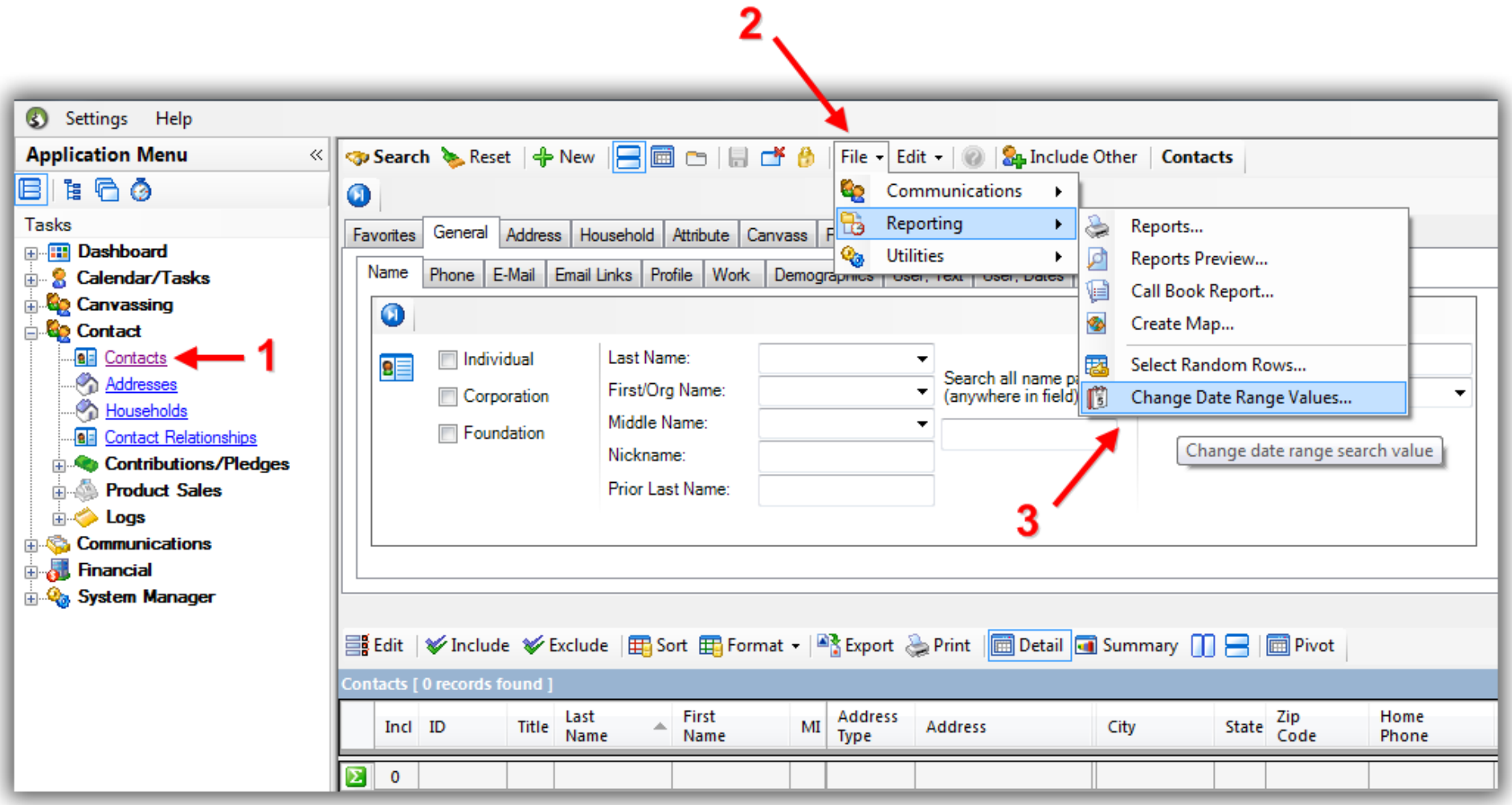
Run a search query for the list of people you're going to write the year-end tax letter to. *In this example I searched for all individual donors who gave in the calendar year 2015.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



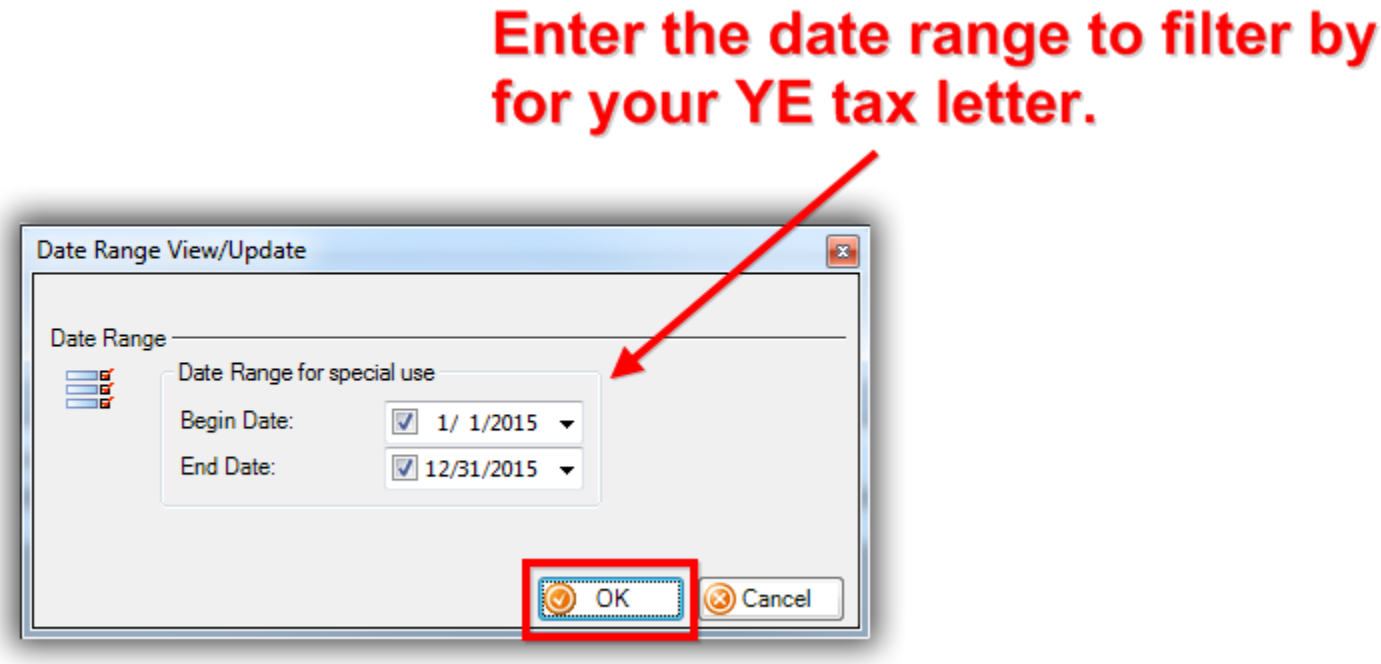
Set the date range values by clicking **File** > **Reporting** > **Change Date Range Values…**

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



Input the date range for the reporting period you're writing the letter for, and click **[OK]**. *I entered the same date range as I entered in the query 'calendar year 2015'.*

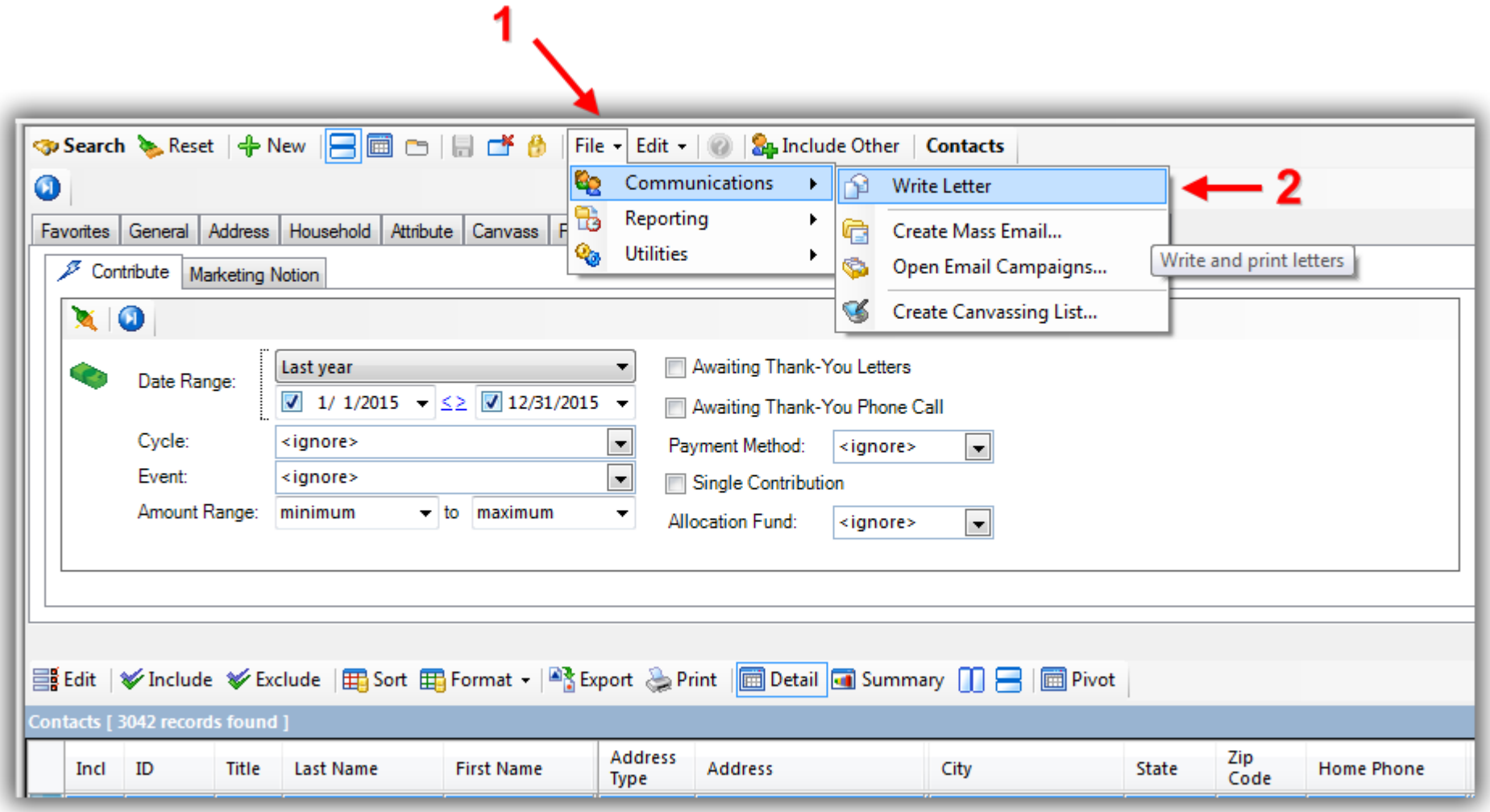
How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



It's very **important** that you don't skip this step since this date range is what drives the **merge fields** when writing the letter.

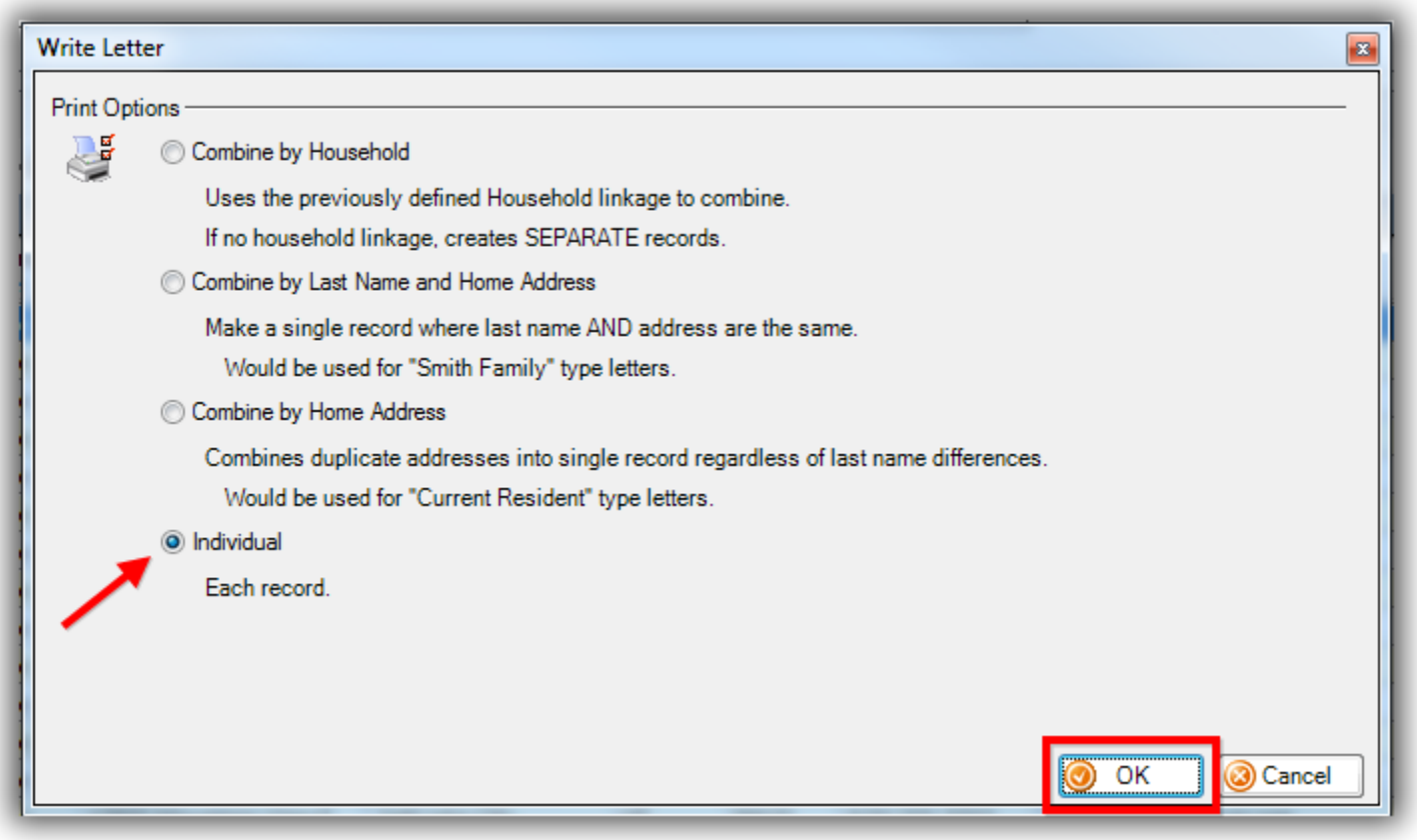
Next you'll open the word processor by following **File** > **Communications** > **Write Letter**

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



Select the **Individual** radio button, and click **[OK]**.

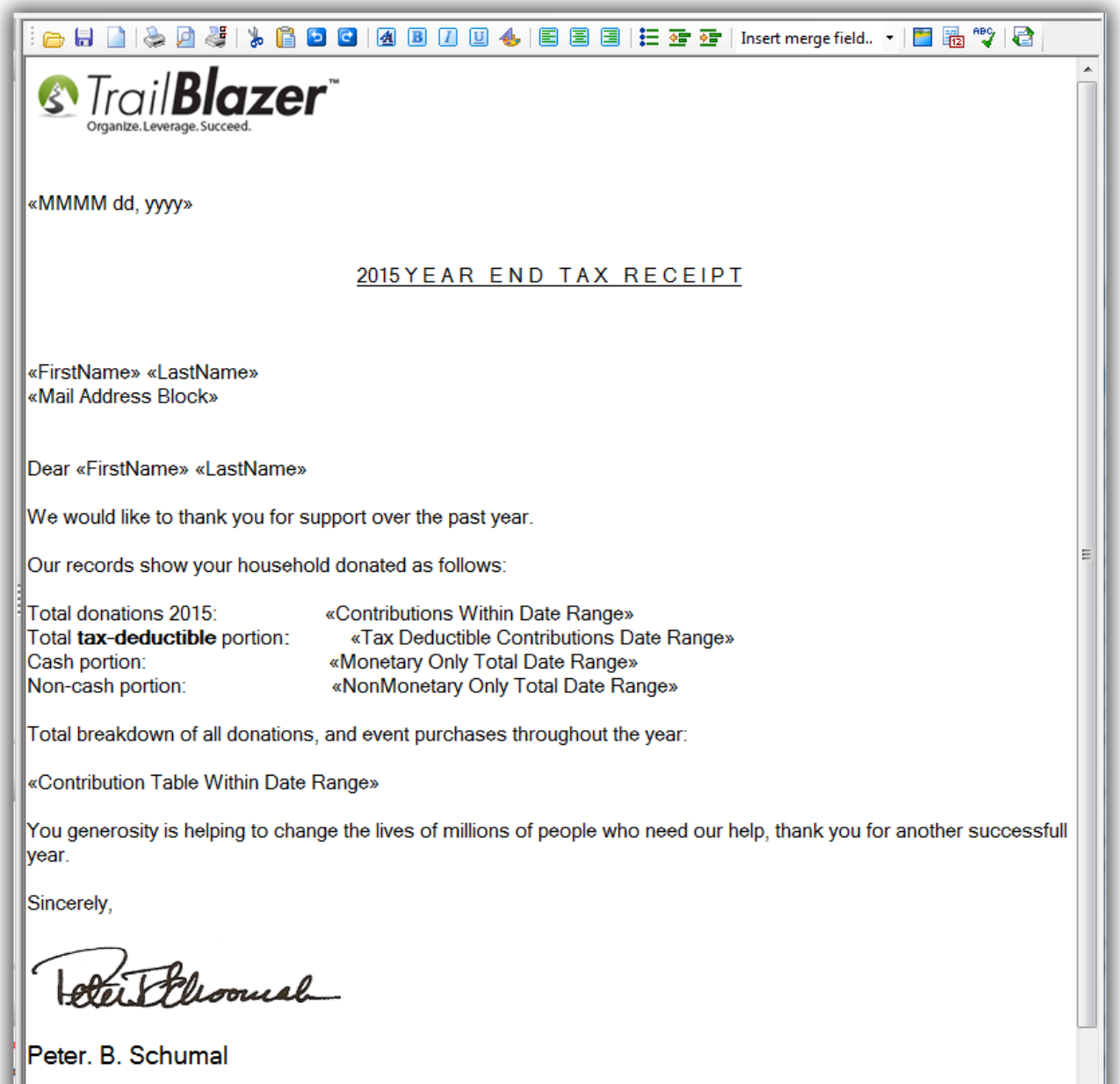
How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



Type out your letter OR copy-and-paste it from another location such as MS Word, Notepad, or Pages. You can copy and paste images (such as your logo, letterhead, or signature), and adjust the margins accordingly. *My finished example is below.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Example YE Tax Letter.



Insert merge field..

TrailBlazer™
Organize. Leverage. Succeed.

«MMMM dd, yyyy»

2015 YEAR END TAX RECEIPT

«FirstName» «LastName»
«Mail Address Block»

Dear «FirstName» «LastName»

We would like to thank you for support over the past year.

Our records show your household donated as follows:

Total donations 2015: «Contributions Within Date Range»
Total **tax-deductible** portion: «Tax Deductible Contributions Date Range»
Cash portion: «Monetary Only Total Date Range»
Non-cash portion: «NonMonetary Only Total Date Range»

Total breakdown of all donations, and event purchases throughout the year:

«Contribution Table Within Date Range»

You generosity is helping to change the lives of millions of people who need our help, thank you for another successfull year.

Sincerely,

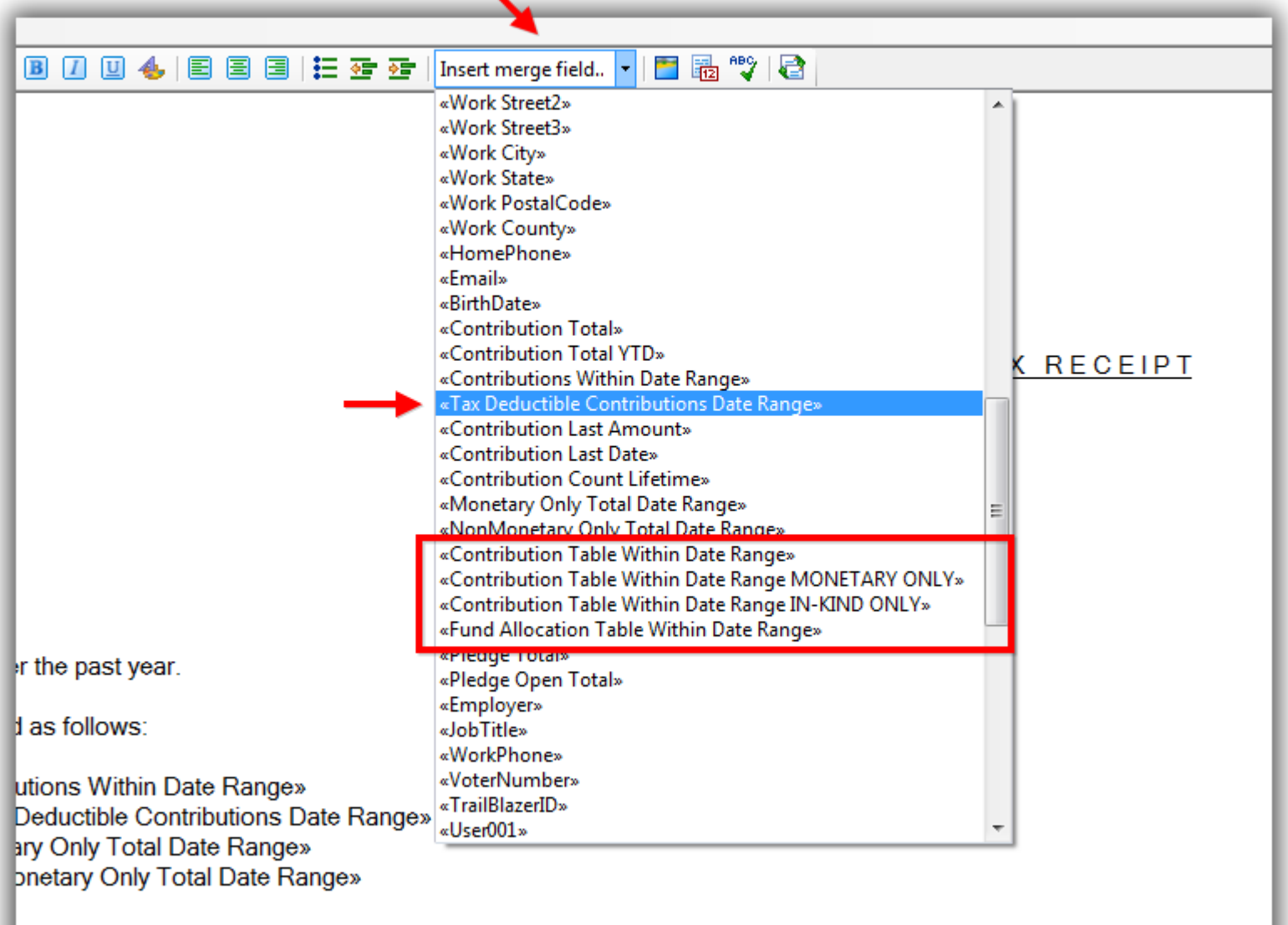
Peter. B. Schumal

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

To insert the merge fields relevant to your tax letter click on the **Insert merge field..** drop-down in the upper-right of the rtf editor.

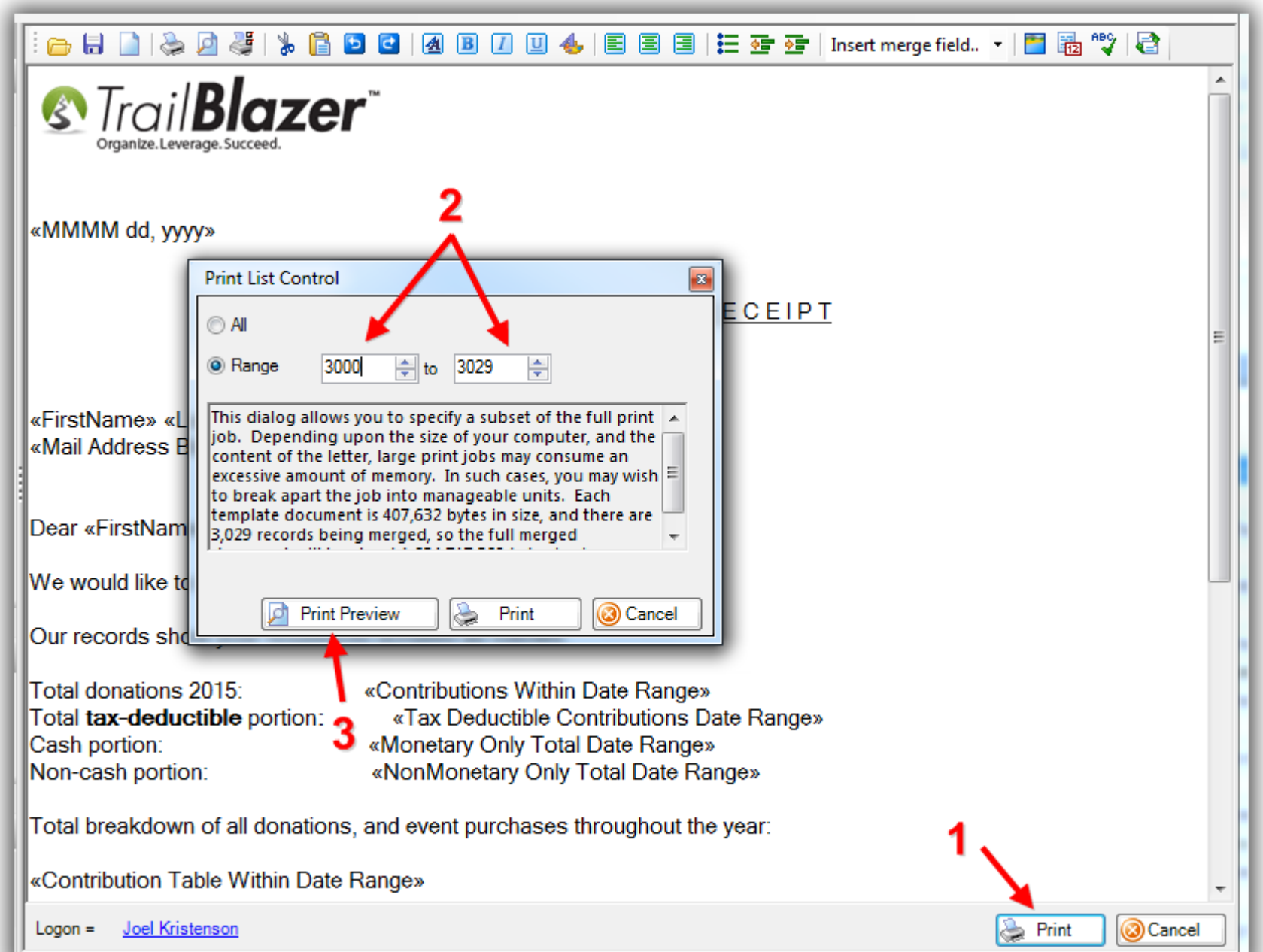
How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Insert merge fields i.e. Name, Address, Date, and Contributions Within Date Range..



To run a test print, click **[Print]** in the bottom right, set your range, and click **[Print Preview]**.

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

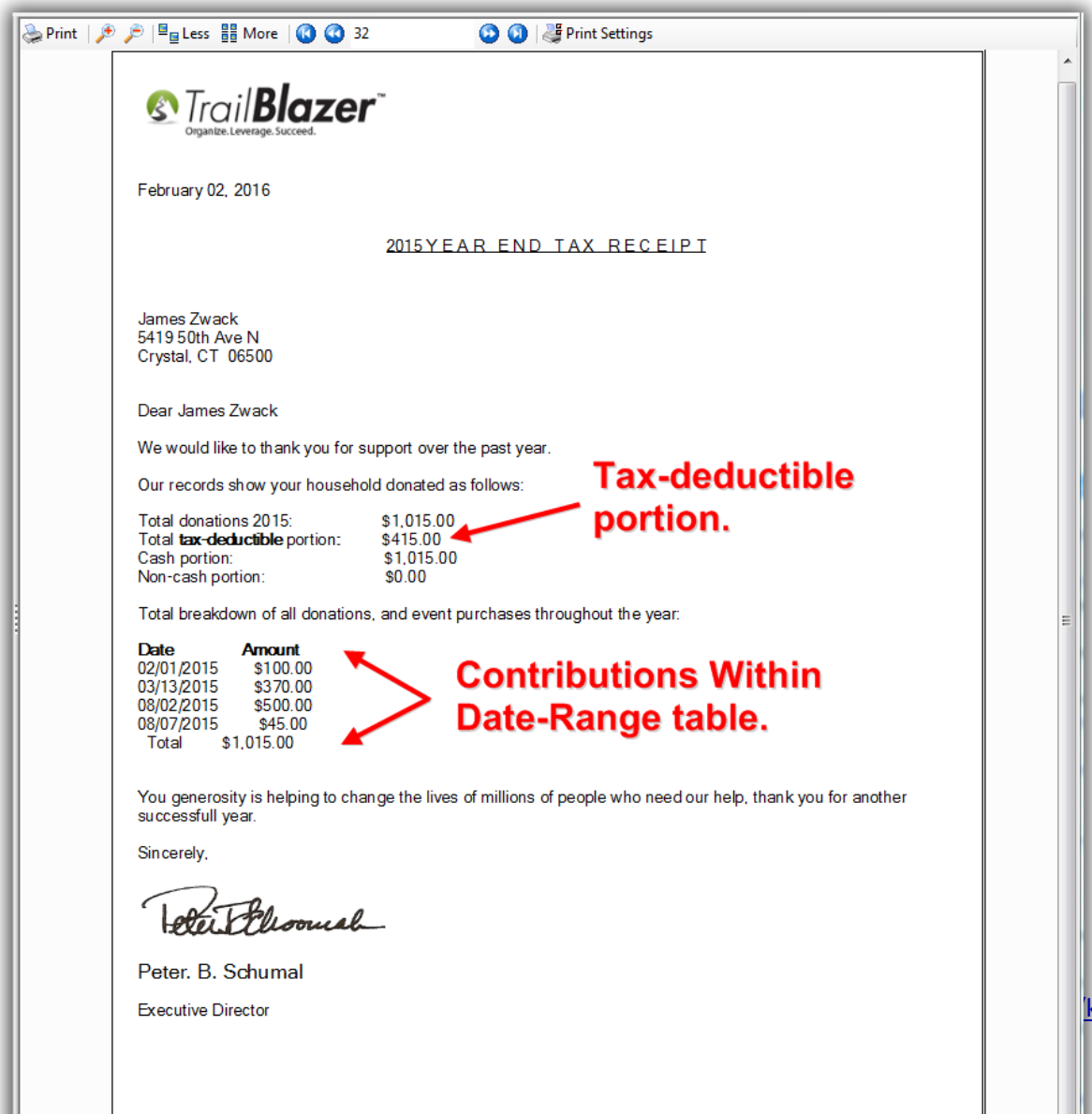


How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

My *example* print preview is below for a donor name "James Zwack" who gave multiple times throughout the year AND had a different 'tax-deductible' amount since they paid for both event tickets AND provided tax-deductible donations. *This can be a very common occurrence and it's critical that you track the tax-deductible amount for event sales and general donations carefully.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Example print preview of a year-end tax letter with different tax-deductible, and non tax-deductible amounts.



💡 **Tip:** You'll notice in the *image above* that the '*contributions table*' merge field doesn't align vertically because it's not a fixed-width font by default. You can change just that table to either **Courier** or **Lucida Console** to make it consistent. *Ex:*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Dear James Zwack,

We would like to thank you for support over the past year.

Our records show your household donated as follows:

Total donations 2015:	$1,015.00
Total **tax-deductible** portion:	$415.00
Cash portion:	$1,015.00
Non-cash portion:	$0.00

Total breakdown of all donations, and event purchases throughout the year:

Date	Amount
02/01/2015	$100.00
03/13/2015	$370.00
08/02/2015	$500.00
08/07/2015	$45.00
Total	$1,015.00

Change this font to something like Lucida Console or Courier New so the columns line up correctly.

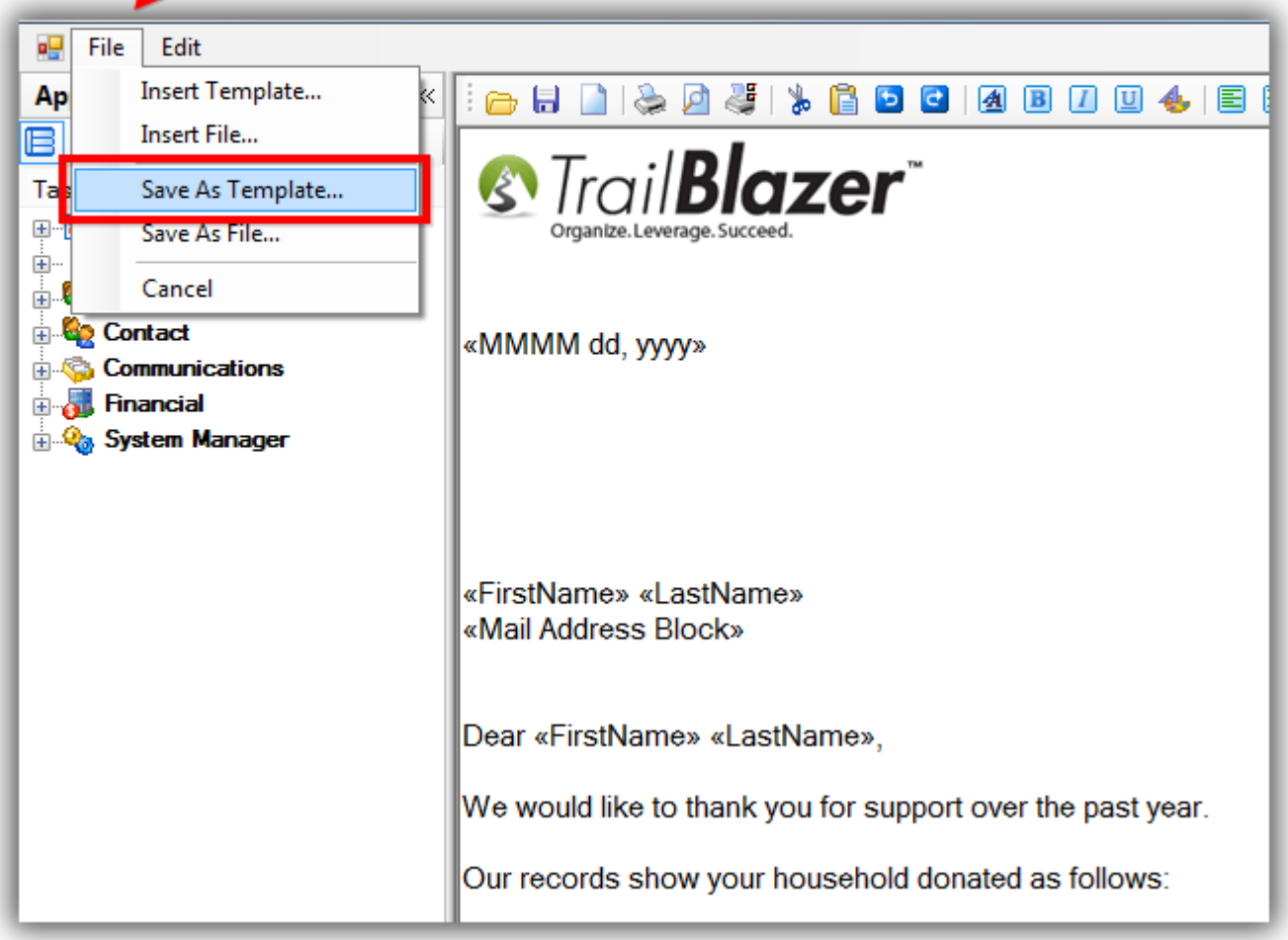
Your generosity is helping to change the lives of millions of people who need ou
successfull year.

Sincerely

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

When you're finished creating and testing the letter, click the **File** drop-down in the very upper-left of the screen and select **Save as a Template**…

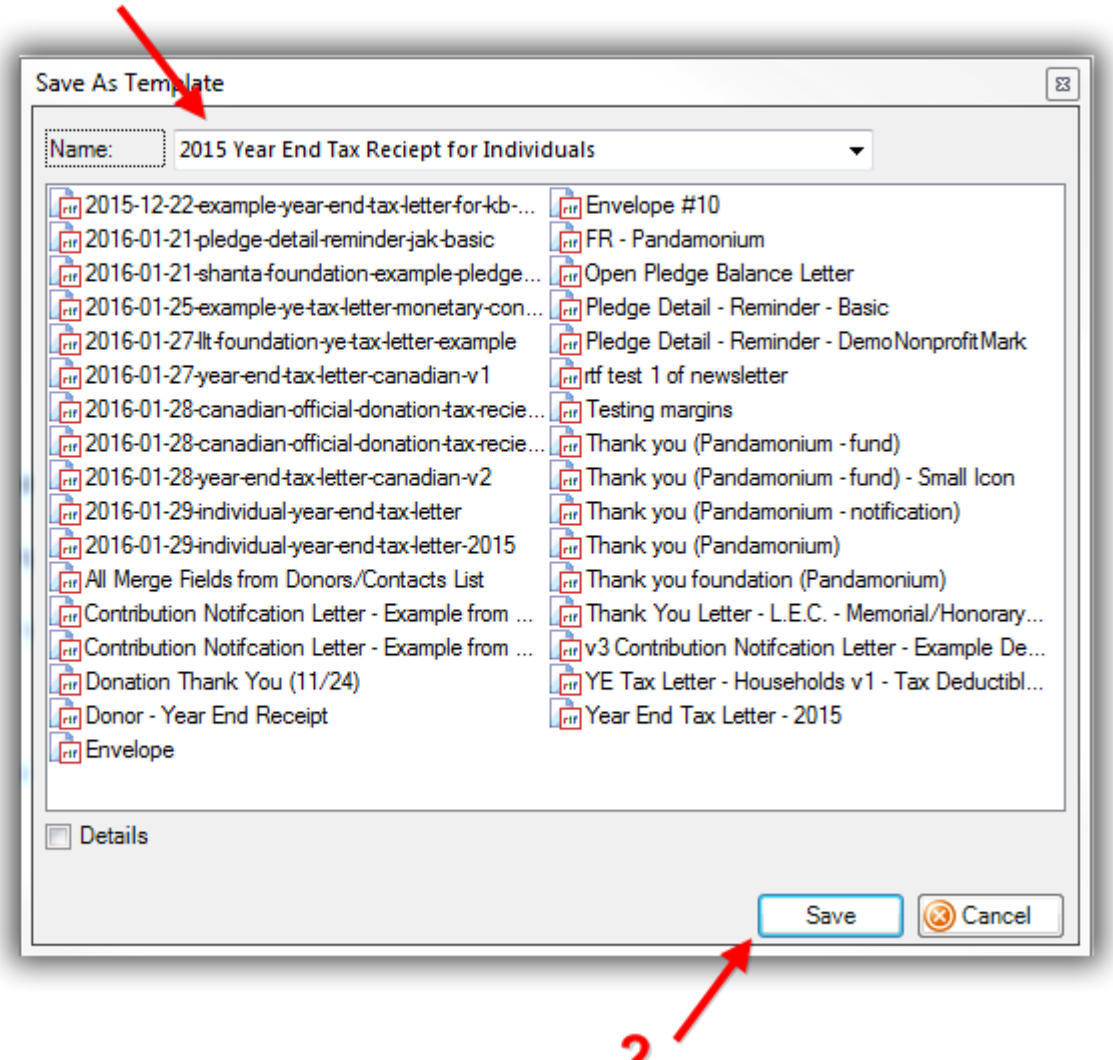
Click the File drop-down to save as a template in the 'cloud'.



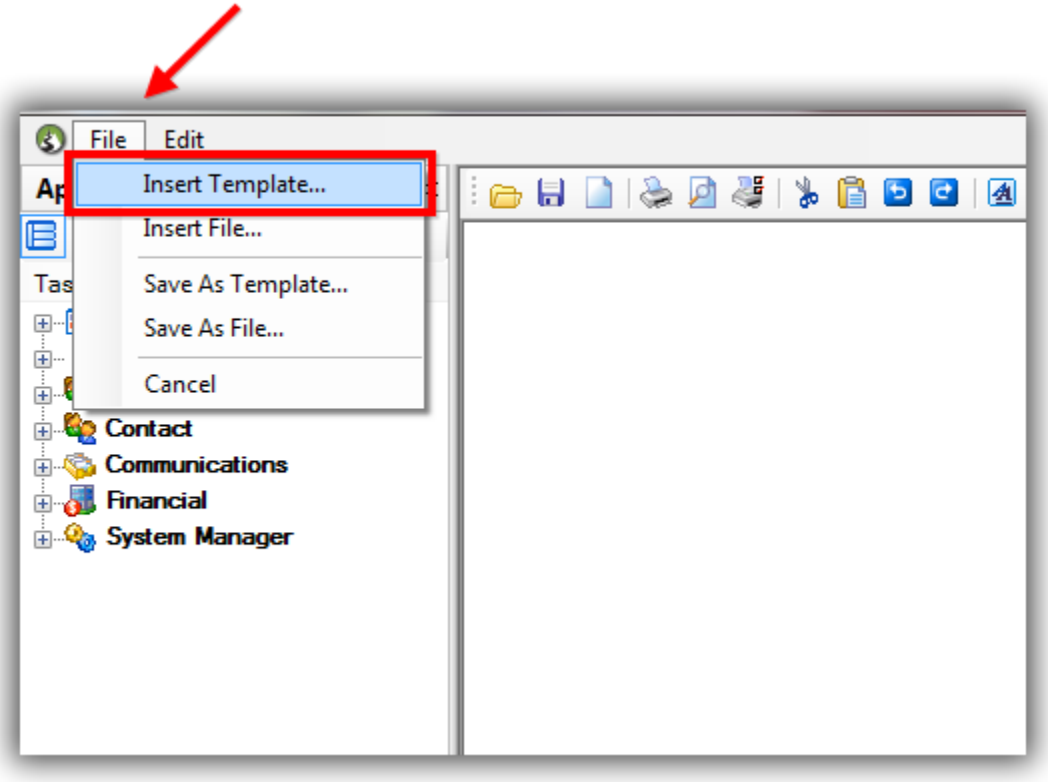
Give the template a recognizable **name**, then click **[Save]**. *In my example I called my template "**Year End Tax Letter - 2015**", it's very possible you will have a separate template for Households, Corporations, etc.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

1. Create a name for your letter template.



The next time you need to insert a template you'll open the word processor, and click **File** > **Insert Template**



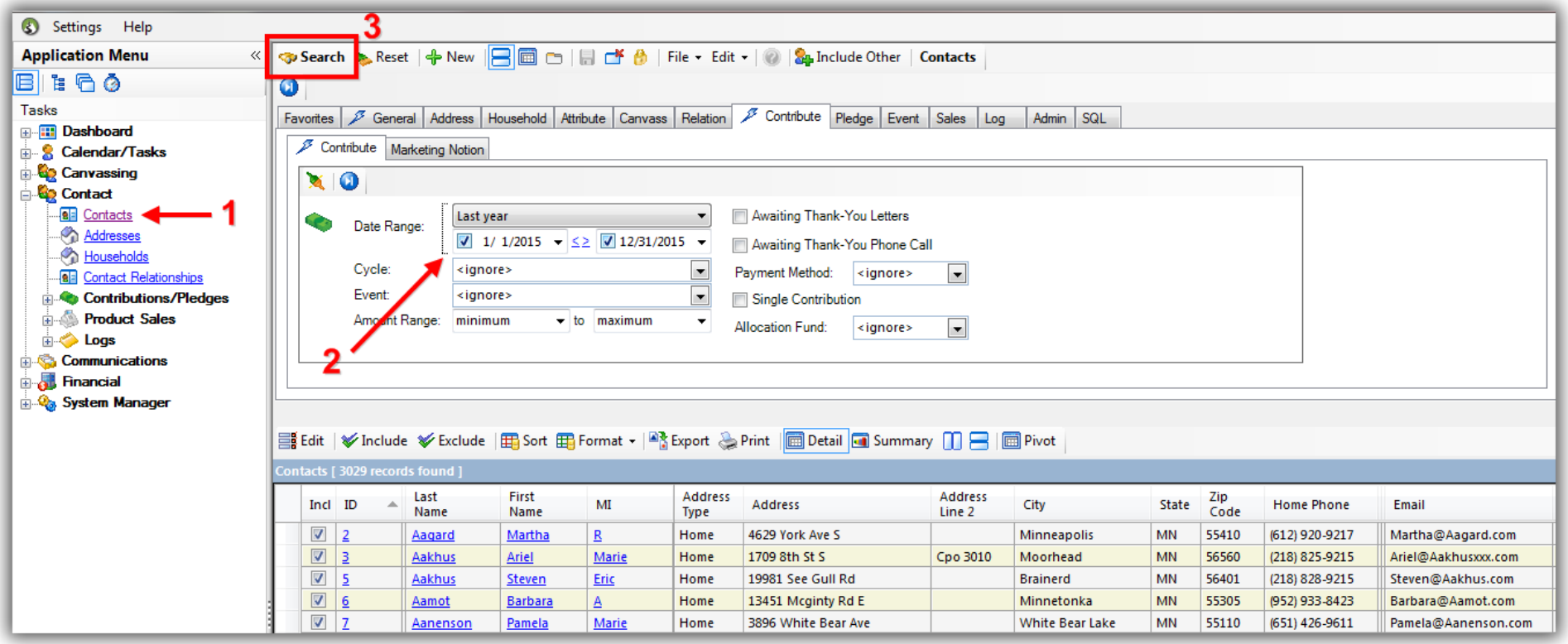
When you're finished with this task you should mass update the list of contacts with an attribute and mass apply a log note to them so you can efficiently track who's received what mailings.

#2 – Writing the Year-End Tax Letter to Households

Prior to writing the letter to an entire household you'll need to run the householding utility on your entire database. This will ensure that the merge fields you can use for Household Envelope or Salutation Name work properly, and so that people who are living at the same home address only receive a single letter.

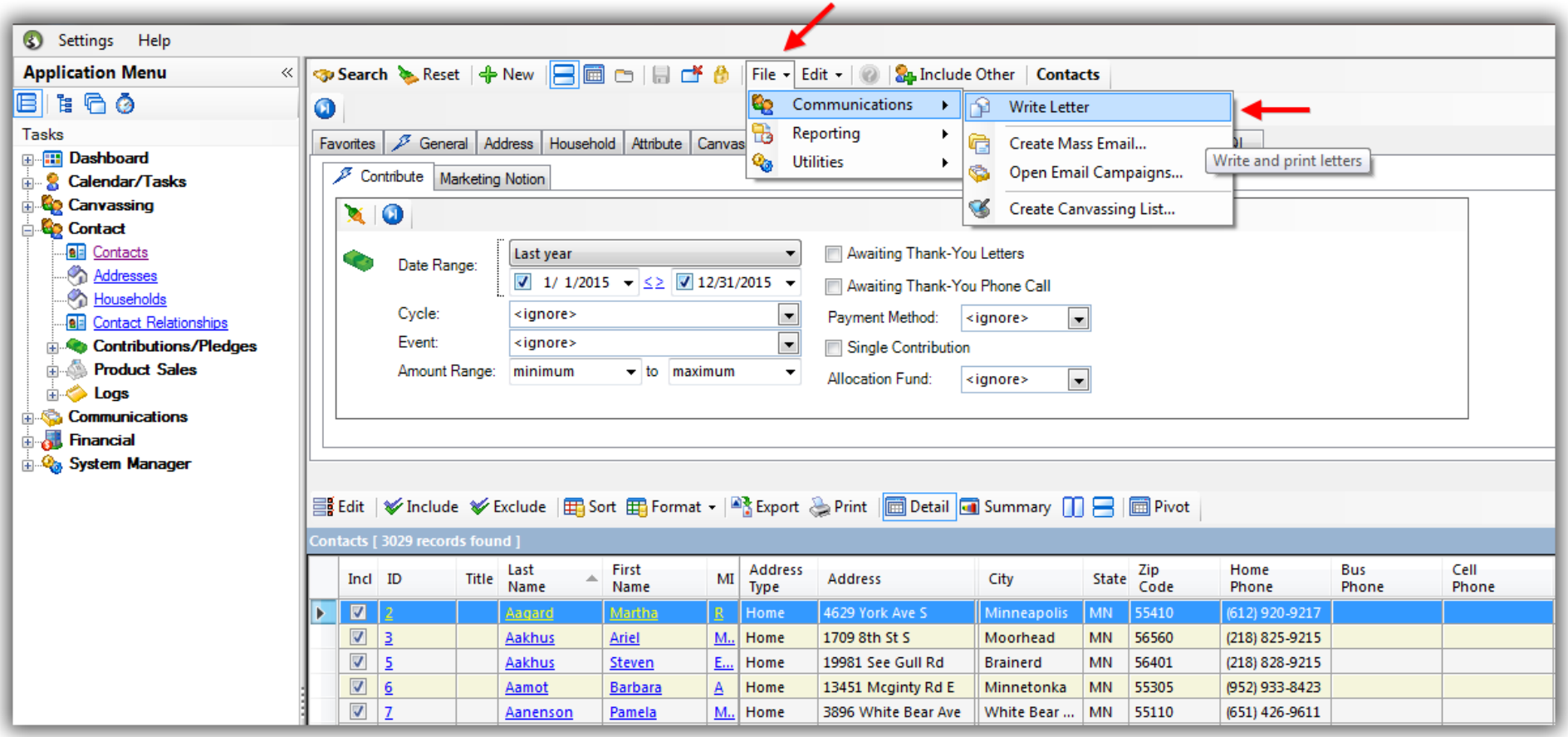
From the Contacts (*Donors*) list run a search query for the list of people you're writing the year-end letter to. *In my example I searched for all 'individual' donors who gave within the calendar year 2015, it produced **3,029** results.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

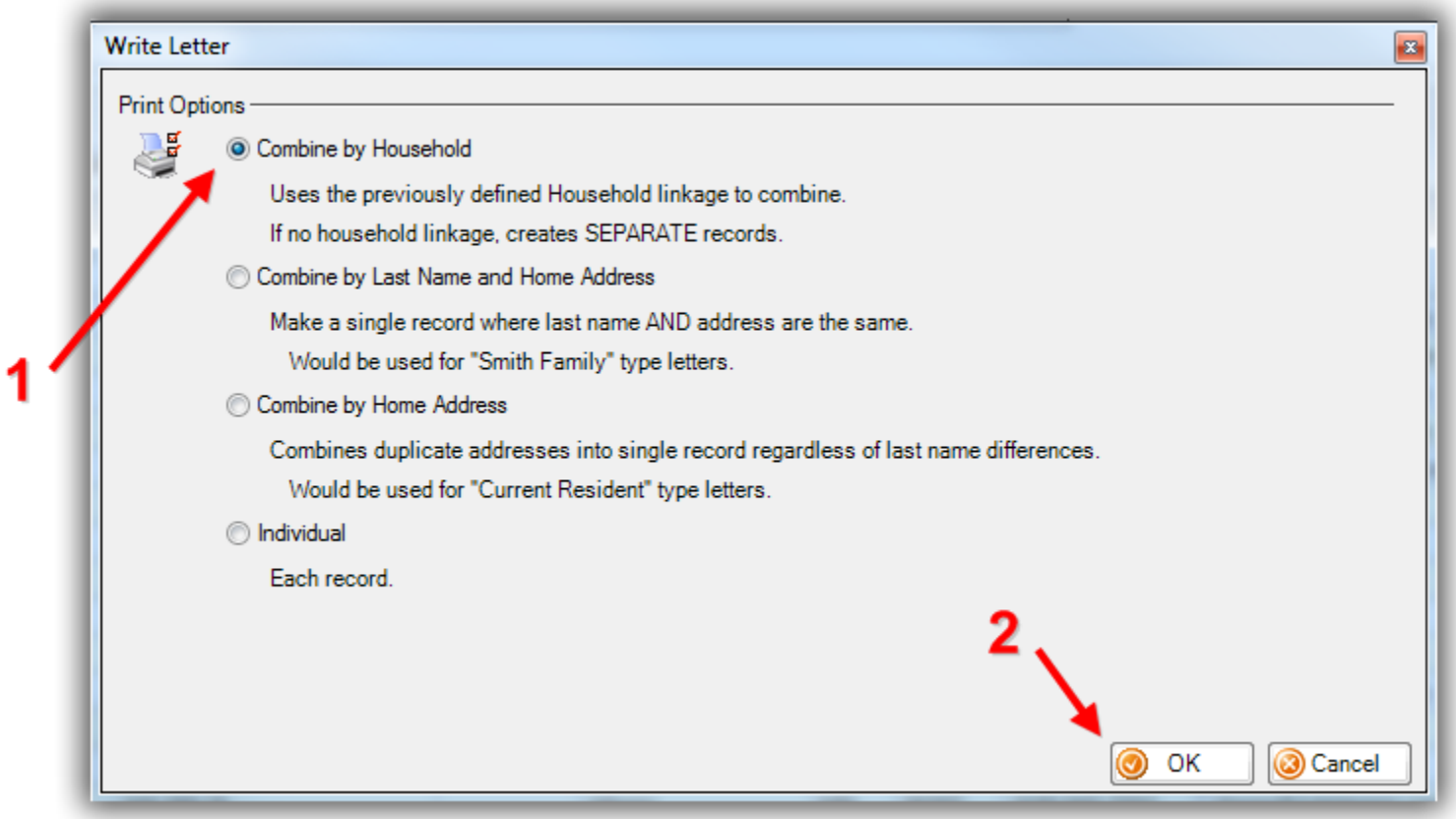


Open the word processor by following **File** > **Communications** > **Write Letter**

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



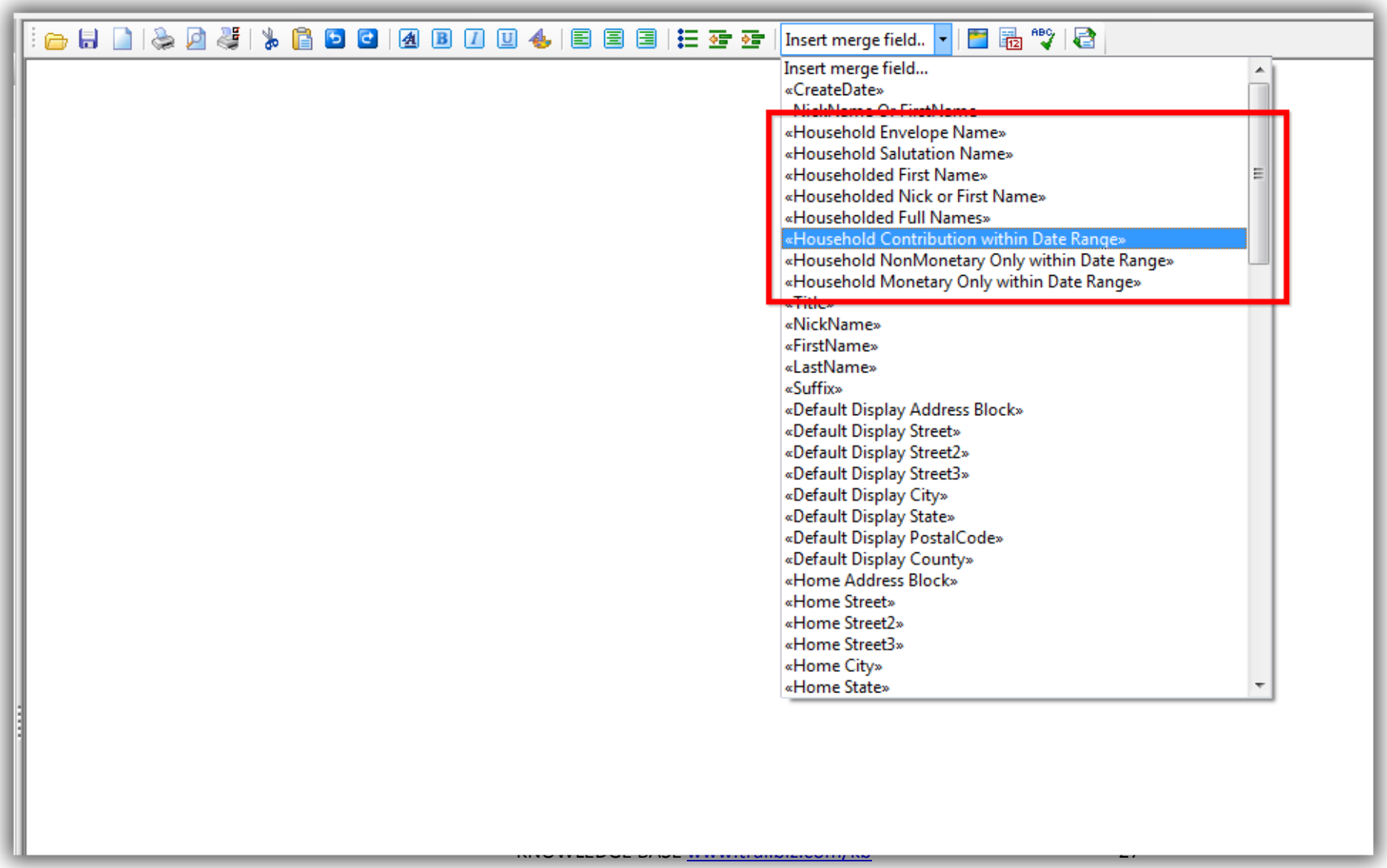
Select the option to write the letter to **households**, it will be the first radio button in the list, then click **[OK]**.



It will take a minute to load as the mail-merge word processor prepares to send to households.

As of the time this article was written, these are the household merge fields you can utilize for this letter:

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

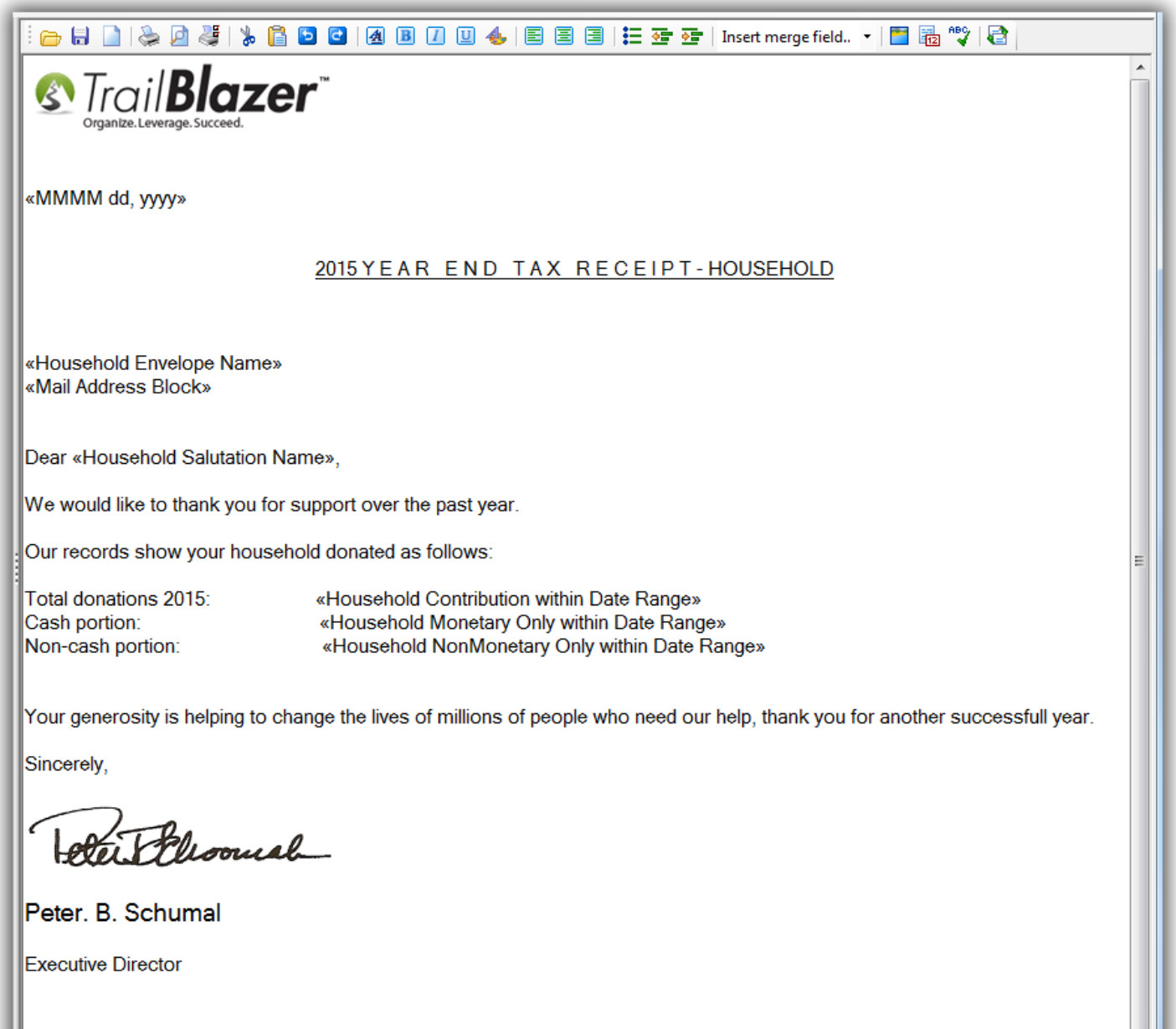


How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Create your letter template by adding in text, images, your signature, and the **household merge fields**. For the most part you can copy-and-paste this from another program like Microsoft Word or Pages, but keep in mind that it's currently limited to a *single* column template. *My example is below.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Example year-end tax letter for households before print preview.



Insert merge field..

TrailBlazer™
Organize. Leverage. Succeed.

«MMMM dd, yyyy»

2015 YEAR END TAX RECEIPT - HOUSEHOLD

«Household Envelope Name»
«Mail Address Block»

Dear «Household Salutation Name»,

We would like to thank you for support over the past year.

Our records show your household donated as follows:

Total donations 2015:	«Household Contribution within Date Range»
Cash portion:	«Household Monetary Only within Date Range»
Non-cash portion:	«Household NonMonetary Only within Date Range»

Your generosity is helping to change the lives of millions of people who need our help, thank you for another successfull year.

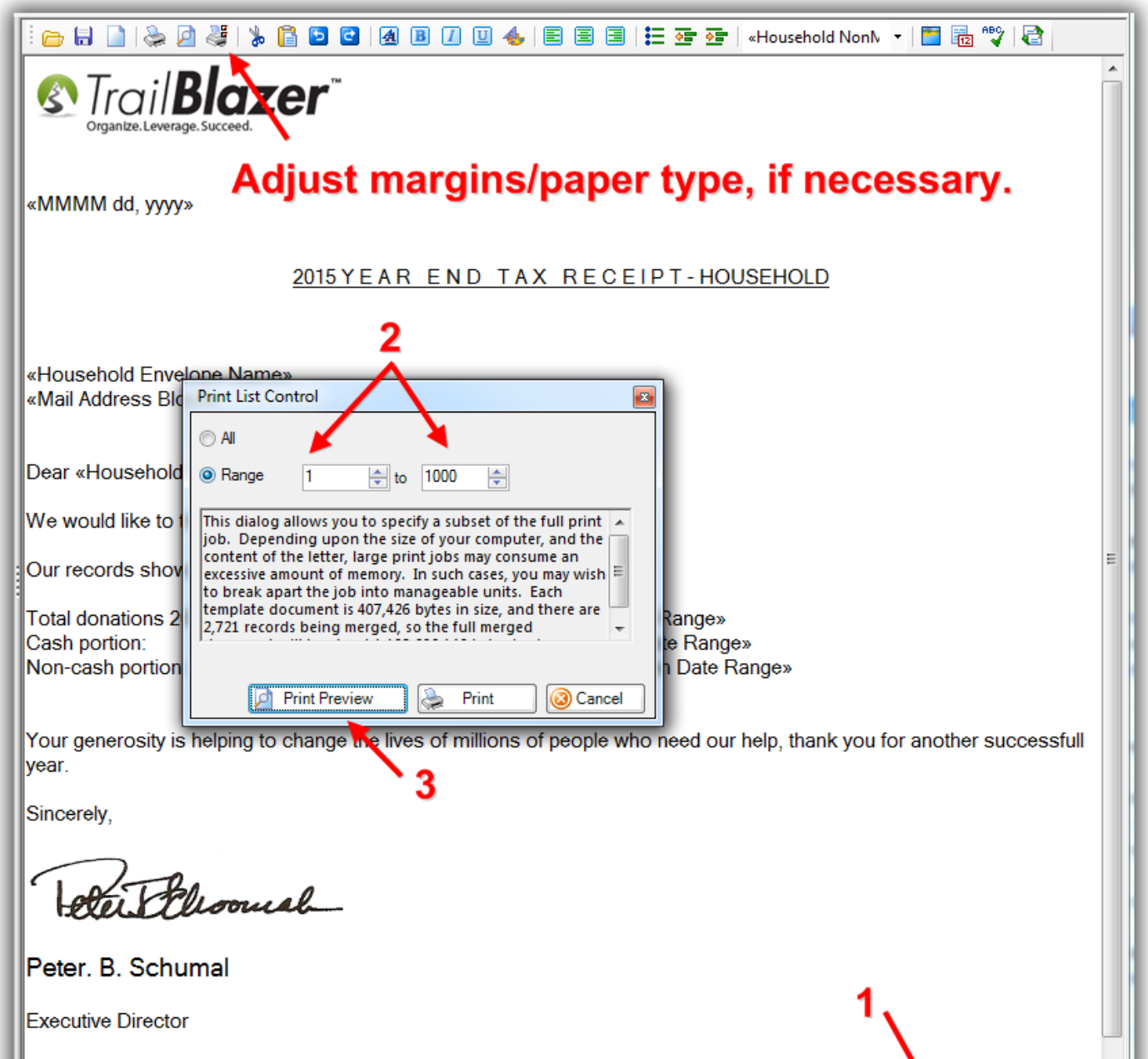
Sincerely,

Peter. B. Schumal

Executive Director

You can adjust the margins by clicking the **[Page Settings]** button on the top tool bar, then to run a print preview click **[Print]**, set your range, and click **[Print Preview]**.

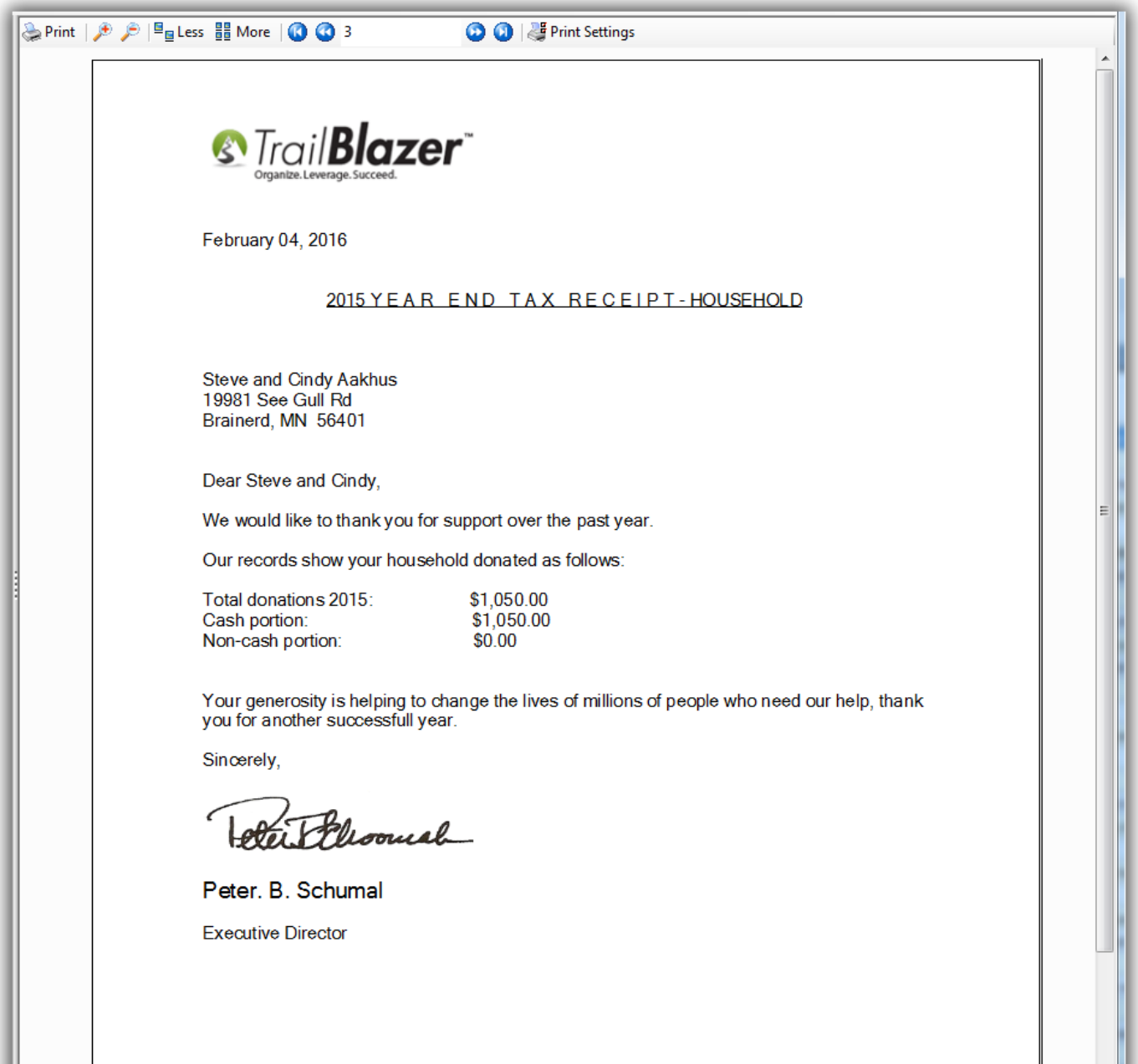
How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

My finished *example* is below of a family where multiple people donated throughout the year.

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



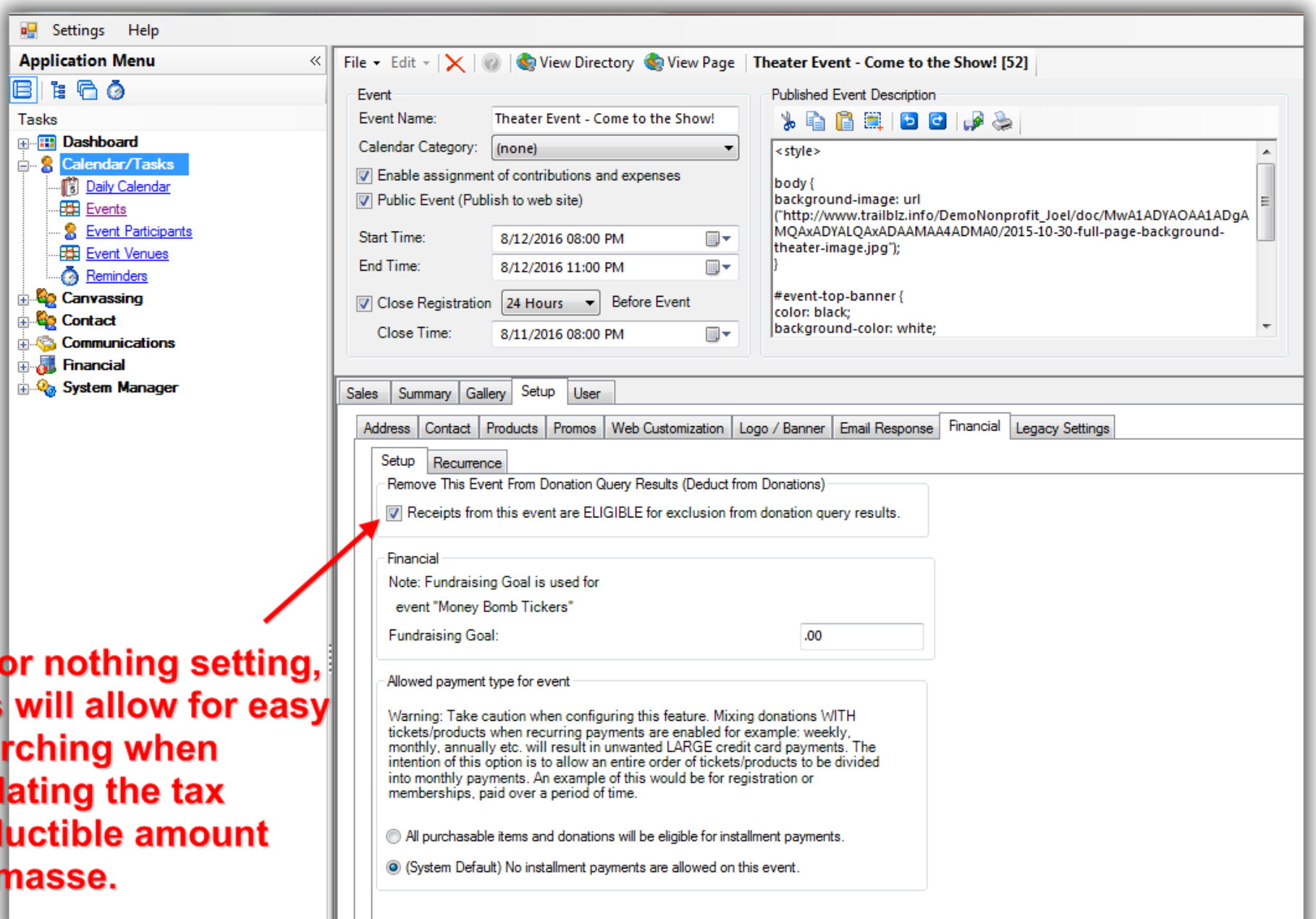
When you're finished with this task you can mass update either your list of individuals with an attribute, or all members of a household with an attribute AND/OR you can mass apply a log note showing that the list of contacts received the letter.

#3 – How to Mass Update the Tax Deductible Amount for a List of Donations En Masse

This section talks about how to **mass update** a list of contributions with either a tax deductible **amount** or **percentage**. This can be very useful if you for instance host an event where there are only ticket and product sales that don't qualify as a tax deductible donation, you can quickly set the amount to zero for all of those transactions for your year-end receipts.

💡 **Tip:** When creating the event turn on a setting that will make the event *eligible for exclusion from regular contribution queries* by checking the box under **Setup** > **Financial** > **Setup** (*shown below for an example theater event*).

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

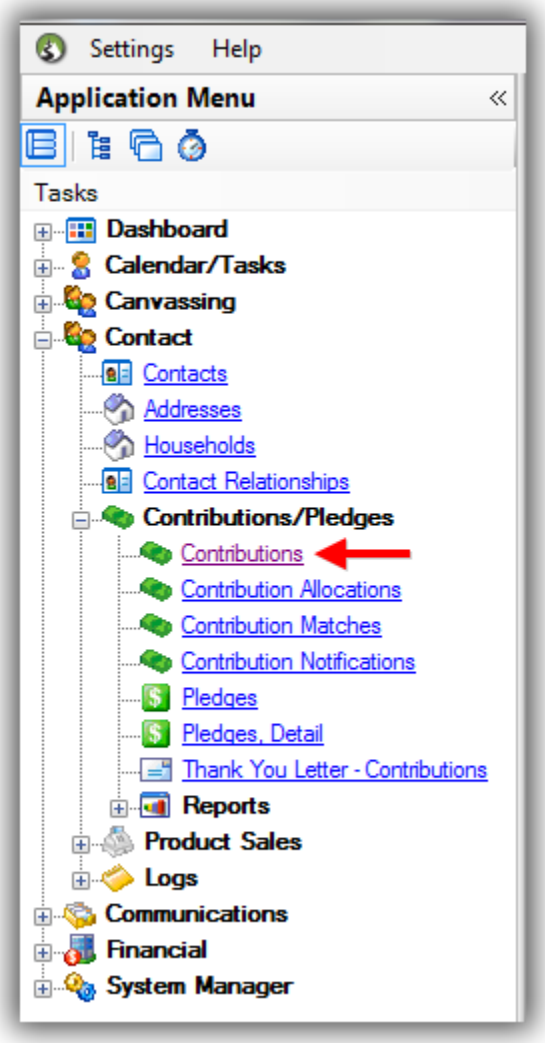


All or nothing setting, this will allow for easy searching when updating the tax deductible amount en masse.

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Navigate to the **Contributions** list.

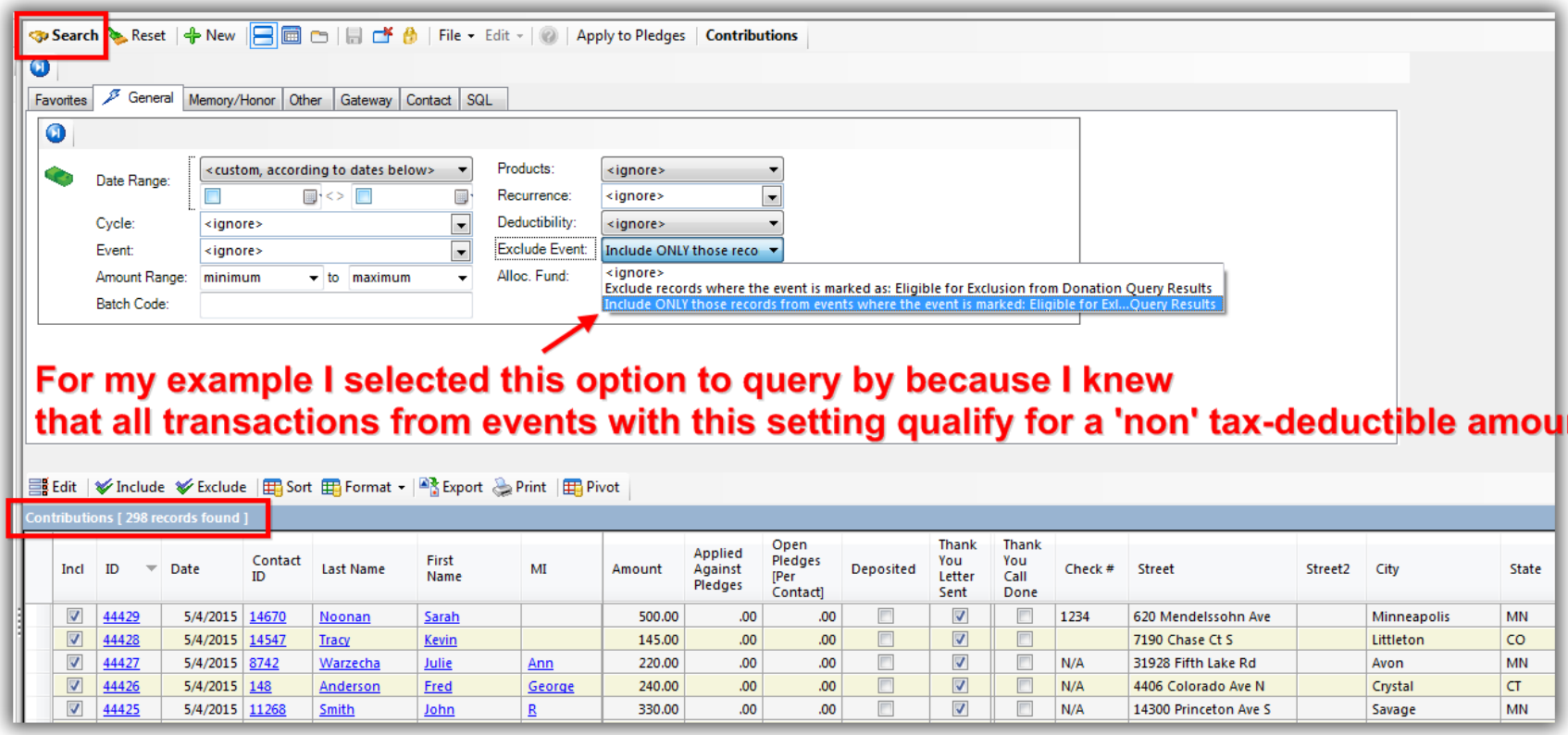
How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

Run your search query for the list of donation records you need to update. *In this example I searched by the drop down-option '**Include ONLY those records from events where the event is marked: Eligible for Exl…Query Results**' which produced **298** records.*

Build and run your search query for the list of donations that you want to mass update the tax-deductible amount/percentage for.

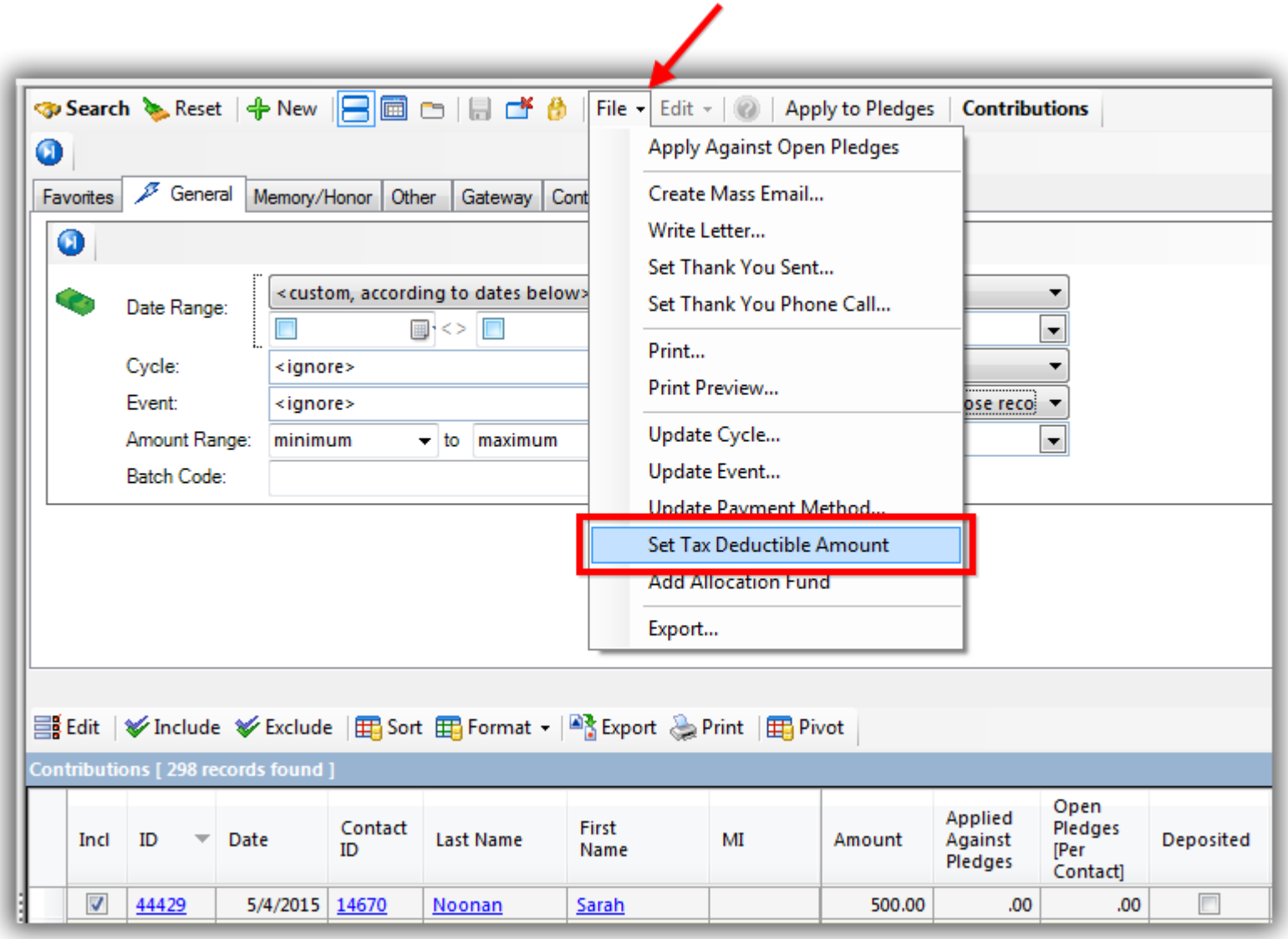


Results.

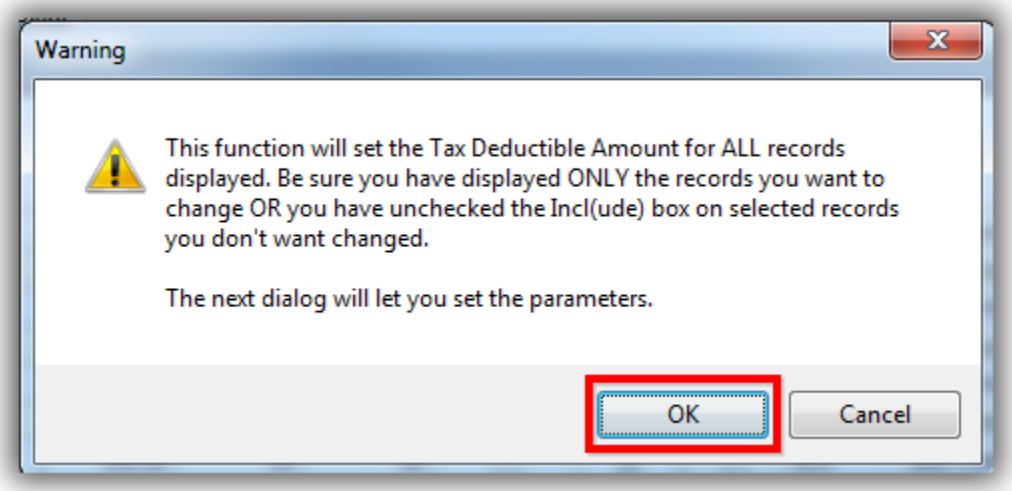
Click **File** > **Set Tax Deductible Amount**.

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



Read through the pop-up message, and then click **[OK]** to proceed.

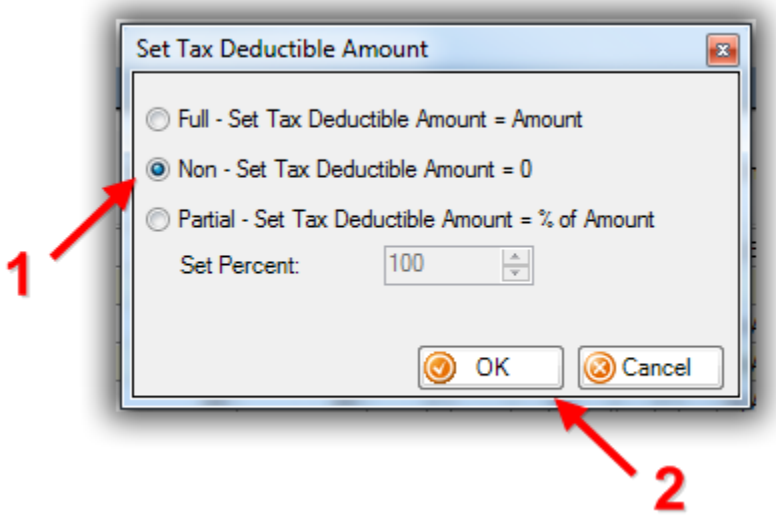


Currently these are the options you have:

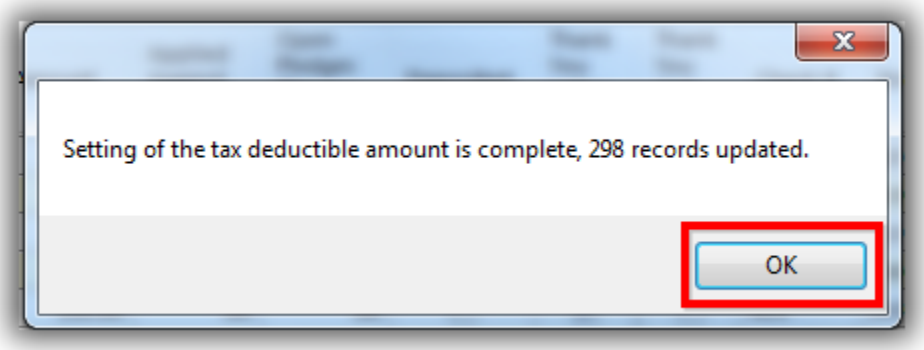
- Full – Set Tax Deductible Amount = Amount
- Non – Set Tax Deductible Amount = 0
- Partial – Set Tax Deductible Amount = % of Amount

Select your options for setting the tax deductible amount, and click **[OK]**. *In my example I selected to set the amount to zero.*

How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only



You'll get a load animation and then a pop-up with the results once it's complete. Click **[OK]** to finish.



How to Create a Year End Tax Letter Addressed to Each Individual Or the Entire Household using Merge Fields – Nonprofit Only

The **related resources** below link to a variety of similar articles and videos. You can always reach out to our live tech support if you have questions going through these steps (8-5 CT | **1-866-909-8700**).

Related Resources

Article: (Mail-Merge) – How to Write a Letter, and Save it as a Template
Article: Managing Households – Creating, Deleting and Re-Creating
Article: Inserting Contribution Transactions In Donor Merge Letter
Article: Mail Merge – Write a Letter
Article: Printing Envelopes
Article: Save and Load a Search Query as a Favorite
Article: How to Mass Update a List of Contacts with an Attribute Item
Article: Adding Lot Notes, Mass Log Notes & Reminders
Article: Creating an Attribute Folder and Attribute Items
Video: Year End Tax Letter
Video: Write Letter – Edit Letter after Mail Merge
Video: Getting Started 102 – Beginning Queries

Trail Blazer Live Support

- **Phone:** 1-866-909-8700
- **Email:** support@trailblz.com
- **Facebook:** https://www.facebook.com/pages/Trail-Blazer-Software/64872951180
- **Twitter:** https://twitter.com/trailblazersoft

** As a policy we require that you have taken our intro training class before calling or emailing our live support team.*

Click here to view our calendar for upcoming classes and events. Feel free to sign up other members on your team for the same training.

** After registering you'll receive a confirmation email with the instructions for how to log into the GoToMeeting session where we host our live interactive trainings.*

** This service is included in your contract.*