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### Can You Deduct Coaching Expenses?



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It almost sounds silly to ask this question, but it comes up more often than you might think. Parents often want to do something good for their kids and their community. In some cases they figure Uncle Sam should also be a participant.

If you are a mere coach and spend a few dollars on pizza or Bengay you're probably out of luck. But team sponsorships are another matter. If you've been a team or league sponsor, you probably know that you'll get your name emblazoned on a few things. Maybe you'll get an advertising display in the program or even a banner at the field.

Some of the sponsorships one sees may not make sense in terms of marketing, at least to me. For example, consider these: [Crown Royal and NASCAR](#), the [Abercrombie & Fitch Emergency Department and Trauma Center](#), and [Coca-Cola and Murder Music](#).

Fortunately, the IRS doesn't usually require your advertising to pay off. Whatever your business, you can probably justify a team sponsorship as an advertising expense. In fact, in its training guide for IRS examiners, the IRS notes that a common form of advertising is sponsorship of sports teams.

The cost of ordinary advertising of your goods or services is deductible. Promotional costs that create business goodwill—for example, sponsoring a little league team—are also deductible as long as there is a clear connection between the sponsorship and your business. Listing your business name in the program is evidence of the promotion effort.

Most taxpayers don't face scrutiny over such deductions. Still, it's best to be able to prove it was productive if you're ever asked. One way is to note in your diary or calendar dates when you have prospect and client contacts and the results of those contacts. Another is to track where your customers hear of your business.

Some coaching and sponsorship activity gets labeled as entertainment, which means being subject to the [entertainment rules](#). Apart from enhanced substantiation rules, the problem with entertainment is that it limits some deductions to 50% of what you spend. See [IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses](#).

For more, see:

[Need A Tax Receipt?](#)

[What If A Taxpayer Doesn't Have Receipts?](#)

[Choose Your Ground In Tax Disputes](#)

[Received An IRS Notice? 10 Simple Tips](#)

[10 Ways To Audit Proof Your Tax Return](#)

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