



CULTUS LAKE PARK

Administrative Policy

Section:	
Sub-Section:	
Title:	CHARITABLE DONATIONS POLICY

APPROVALS

Approval Date: April 17, 2019	Approved by: Cultus Lake Park Board
Amended:	Approved by:
Amended:	Approved by:
Amended:	Approved by:

PURPOSE

The purpose of this policy is to establish guidelines and procedures for the acceptance of charitable donations and the issuance of tax receipts by Cultus Lake Park Board.

GENERAL INFORMATION

Canada Revenue Agency (CRA) does not require registered municipal or public bodies performing a function of government in Canada to have an official tax number that permits them to issue tax receipts when qualified donations are made. Cultus Lake Park is recognized as a registered qualified donee by the CRA as Cultus Lake is on the list of Municipal or public bodies performing a function of government in Canada who are able to issue official donation receipts upon receipt of such donations.

The CRA has high expectations that any organization granted this status will use this privilege judiciously. We must comply with the following basic rules:

- For a gift (money or property) to qualify it must be made voluntarily and there should be no benefits to the donor or their families. For example: donations for equipment for a specific department (computers, chairs etc.) from family members would not be acceptable. Essentially, donations should be unconditional gifts to the Park.
- If the gift is property, the donation will be valued at 'fair market value' by an appropriate appraiser (cannot be a Park employee or department). CRA's Bulletin IT297R2 states that 'The person who determines the fair market value of the property must be competent and qualified to evaluate the particular property being transferred by way of a gift'.
- In a situation where a donor of property requests a tax receipt, please fill out the 'Appraisal Valuation' form and attach it to the 'Charitable Donation Request' form and submit both to the Finance Department.
- Businesses may not require tax receipts for merchandise donations, as they would simply expense to their business the cost of property donated to the Park.
- Donations 'in kind' can be accepted with original receipt(s).

POLICY

1. Conditions for Accepting Donations

- a) All gifts become the property of the Cultus Lake Park Board.
- b) Donors may make financial contributions to specific types of materials or purposes; however, Cultus Lake Park cannot guarantee to purchase specific items.
- c) Donated materials which are not needed for Cultus Lake Park may be sold for the benefit of Cultus Lake Park.

2. Conditions for Handling Donations

- a) Canada Revenue Agency policy and guidelines will be referred to for the valuation of any donation for tax receipt purposes.
- b) Cultus Lake Park Board reserves the right to refuse any donation which is deemed to not be in their best interest.
- c) Cultus Lake Park will issue an income tax receipt for amounts above \$20.00 or, for materials or objects, only if the donor provides a valuation by a recognized expert.

3. Donor Protection and Confidentiality

- a) Cultus Lake Park considers and protects the donor's rights and interests. Cultus Lake Park will practice full disclosure, guard against undue influence and maintain its fiduciary responsibility in all dealings with donors.
- b) Donor and donor gift information is confidential and can only be released with the express written permission for the donor or the donor's legal representative.

4. Planned Gifts

Acceptable planned gifts may include:

- Bequests
- Life insurance
- Property
- Cash
- Securities
- Annuities
- Memorial gifts

Cultus Lake Park Board may accept planned gifts which support the vision, goals and strategic objectives of the Park.

5. Donations of Gift Certificates for Fundraising Purposes

The *Canada Customs and Revenue Agency Policy Statement* indicates that in the situation where a registered charity has received gift certificates to use in fundraising events, such as auctions and raffles, the following regulations pertain:

- Registered charities can issue an official donation receipt only when:
 - (a) the donor is not the issuer of the gift certificate; and
 - (b) the donor has obtained the gift certificate for valuable consideration either from the issuer or other third party.

For example: Mrs. Jones purchases a gift certificate from Safeway for \$25.00 and donates it to the district for fundraising purposes. Mrs. Jones would be eligible to receive a tax receipt.

- Registered charities cannot issue official donation receipts for gift certificates they receive directly from the issuer.

PROCEDURES

Cash Donations

1. Charitable Donation – Tax Receipt Request

Donors who require a tax receipt for their donation need to fill out the Donor Section of the ***Charitable Donations – Tax Receipt Request Form*** (Form 2) and submit the form.

Once submitted the manager in charge of the relevant area (the manager of the business unit the donation will be used in) will approve the request for the tax receipt by filling out the Cultus Lake Park Board section of the ***Charitable Donations – Tax Receipt Request Form*** (Form 2).

The completed form and proof of receiving the donation should be sent to the finance department to issue the tax receipt and allocate the funds.

2. Cash Receipting

Donations should be posted through cash receipting using Code **GF11 – Donations to Cultus Lake**

This will compile funds in the following account:

10-1-7000-4904 - Donations (Revenue)

2. Issuing tax receipt

Finance will use the completed “***Charitable Donations – Tax Receipt Request Form***” (Form 2).and proof of receiving the cash donation to issue a tax receipt.

Finance should be using the “***Charitable Donations Receipt***” template (Form 3) in excel to issue tax receipts.

- First ensure to review the “***Receipt Requirements***” (Form 1) in the first tab of the excel template to ensure the receipt contains all the necessary information and backup.
- Use the second tab “***Donation Receipt***” as a template for creating the donation receipt. Fill in all the text highlighted in “**RED**” and change to black font.
- Ensure the receipt number is changed to the next available number so each receipt has a unique serial number.
- Ensure a copy of the receipt is kept for Cultus Lake’s records along with the request form and the proof of receiving the cash donation.

Overall

The finance team will then ensure funds are distributed to the appropriate departments for use once direction is given as to where the funds will be used.

It is expected that departments make use of funds prior to the end of the calendar year, unless authorized by the CAO.

Donations may be used at the discretion of the Manager, but it is suggested that requests of the person who made the donation be considered.

Other Donations

Other donations are any donations other than cash donations and include but are not limited to donations of property, gift certificates, and materials. All other donations should be accepted only after approval by the CAO.

1. Charitable Donation – Tax Receipt Request

Donors who require a tax receipt for their donation need to fill out the Donor Section of the ***Charitable Donations – Tax Receipt Request Form*** (Form 2) and submit the form.

Once submitted the manager in charge of the relevant area (the manager of the business unit the donation will be used in) will approve the request for the tax receipt by filling out the Cultus Lake Park Board section of the ***Charitable Donations – Tax Receipt Request Form*** (Form 2).

For property or material where an appraisal is required to evaluate the fair market value of the donation an ***“Appraisal Valuation Form”*** (Appendix 3) needs to be filled out and authorized by a person who is competent and qualified to evaluate the particular property being donated.

2. Issuing tax receipt

After the appraisal and property is reviewed and approved by the CAO, Finance will use the ***“Appraisal Donation Receipt”*** (Appendix 4) in excel to issue tax receipts.

- First ensure to review the ***“Receipt Requirements”*** (Form 1) in the first tab of the excel template to ensure the receipt contains all the necessary information and backup.
- Use the second tab ***“Appraisal Donation Receipt”*** as a template for creating the tax receipt. Fill in all the text highlighted in **“RED”** and change to black font.
- Ensure the receipt number is changed to the next available number so each receipt has a unique serial number.
- Ensure a copy of the receipt is kept for Cultus Lake’s records along with the Appraisal form and the proof of receiving the donation.

Documents Associated With This Procedure

GUIDELINES:

- 1) Receipt Requirements

FORMS:

- 2) Charitable Donations – Tax Receipt Request Form
- 3) Appraisal Valuation Form

TEMPLATES:

- 4) Charitable Donations Receipt Template
- 5) Appraisal Donation Receipt Template