

Administrative Procedures Manual	Administrative Procedure 526
	Charitable Donations
	APPROVED: September 2013
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LEGAL REFERENCE:	Section 52, 53, 68, 197, 222 Education Act Societies Act Income Tax Act

Background

Community involvement in keeping with the Division's mission and guiding principles in the support of educational programs is encouraged. The Division welcomes the assistance of individuals or groups who wish to provide material or financial support for the benefit of students.

The Division has the status of a “Registered Canadian Charitable Organization” within the meaning of the Income Tax Act. Donors may be able to claim income tax deductions for the value of donations to the Division, provided that such donations are considered to be “for the advancement of education” as defined under the Income Tax Act and its Regulations.

Definition

A charitable donation is a voluntary transfer of property, usually cash, made without expectation of return.

Procedures

1. An official donation receipt signed by the Secretary-Treasurer will be given for a gift which meets all of the following conditions:
 - 1.1 There is a transfer of property, usually cash, to the Division;
 - 1.2 The property is given voluntarily; and
 - 1.3 The donor receives no benefits in return.

2. All gifts which are eligible for income tax deduction must be for the advancement of education, including:
 - 2.1 The establishment of student or staff scholarships, or other awards;
 - 2.2 The purchasing of capital equipment and furnishings; and
 - 2.3 Enhancement of co-curricular and/or extra-curricular programs.

3. The following shall not be considered as gifts eligible for income tax deduction:
 - 3.1 Tuition fees, or other similar fees and payments;
 - 3.2 Payments used to purchase books and other instructional materials;
 - 3.3 Instructional fees and fees for book rentals, equipment, musical instruments and transportation;

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- 3.4 Those cases where a specific donor cannot be identified;
 - 3.5 Where services are provided, and the supplier requests a donation receipt for the value of the services rather than payment; and
 - 3.6 Amounts paid for activities such as tickets for card parties, bingo, lotteries, social functions, and graduations.
4. Before a commitment is made to a potential donor regarding either the proposed use of a donation or the tax-deductible status, the following procedures shall apply:
 - 4.1 The proposed use of the donation shall be submitted to the Principal for approval along with the following information:
 - 4.1.1 Donor name, address and postal code.
 - 4.1.2 For business donations, the name of the contact person.
 - 4.2 When approving the acceptance of a donation, the Principal shall consider the following:
 - 4.2.1 Any donation may be refused if, in the opinion of the Principal, it would not be in the best interest of the Division to accept it.
 - 4.2.2 All donations shall be used within the Division.
 5. The Principal shall forward a copy of the above documentation including concurrence with the proposed use of the donation to the Secretary-Treasurer.
 6. The Secretary-Treasurer shall determine the tax-deductible status and advise the Principal in writing.
 7. The Principal shall provide the potential donor with written approval of the agreed amount and conditions of the donation, and the tax-deductible status.
 8. All approved donations received shall be forwarded to the Secretary-Treasurer.
 9. The Secretary-Treasurer or designate shall:
 - 9.1 Receive and record the donation;
 - 9.2 Issue a charitable donation receipt in the form prescribed by Revenue Canada, and a letter of appreciation for all donations in excess of twenty-five dollars (\$25.00); and
 - 9.3 Maintain a listing of donations and corresponding receipts.

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10. The Principal may acknowledge a particular donation in some appropriate manner. However, acknowledgement shall not constitute an official receipt for tax purposes.
11. The only authorized signatures for a charitable donation receipt are those of the official signing officers of the Division.
12. Donations-in-Kind
- 12.1 All new merchandise donated to the Division is to be accompanied by an original sales invoice to determine the value of the donation. Merchandise that does not meet the Division's standard or is not compatible with existing equipment shall not be accepted.
- 12.2 All used merchandise donated to the Division shall follow the same procedure as 12.1 above. If an official tax receipt is requested, the donor will provide an independent appraisal satisfactory to the Secretary-Treasurer.
- 12.3 All merchandise donated to the Division shall become the sole property of the Division.