



ARROWSMITH COMMUNITY JUSTICE SOCIETY

Charitable Donations

Adopted: 9 Sep 2021

1. **GUIDING PRINCIPLES:**

Arrowsmith Community Justice Society (ACJS) works in compliance with the Canada Revenue *Income Tax Act* in regard to Charitable Donations

2. **OBJECTIVES:**

The objective is to provide clear guidelines for Board members, volunteers and staff in regard to the issuing of receipts for charitable donation

3. **PROCEDURES:**

a) **Issuing Receipts:**

The Society automatically issues receipts in accordance with the regulations set out in the *Income Tax Act* to anyone who freely gives money or goods-in-kind, unless a donor indicates that a receipt is not necessary or where the donation is less than \$25.

b) **In-Kind Donations:**

Receipts are issued for the retail value of new goods or established resale value for used goods, before taxes added, donated to the Society. Documentation clearly showing the established fair market value shall be kept with the receipt copy.

c) **Waiving Expense Reimbursements for Donation Receipts:**

Personnel who wish to make the expenses incurred, while doing the work of the Society, a charitable donation should submit their expense form as usual. A reimbursement cheque for the expense will be given to the applicant and the applicant will then make a personal donation to the Society, for which he/she receive a charitable giving receipt. This policy is in compliance with the *Income Tax Act* and also contributes to the data necessary for the Society to determine program expenses. Note that the donation of volunteer time is not considered a valid tax exemption.

d) **Official Donation Receipts** (CRA changes to form as of 31 Mar 2019)

All donation receipts must include the name and website of the Canada Revenue Agency (CRA) www.canada.ca/charities-giving All information on an official donation receipt must be legible and not easily altered.

i. Receipts for cash gifts must have the following:

- a statement that it is an official receipt for income tax purposes
- the name and address of the charity as on file with the CRA
- a unique serial number
- the registration number of the Society issued by CRA
- the location where the receipt was issued (city, town, municipality)

- the date or year the gift was received
 - the date the receipt was issued
 - the full name, including middle initial, and address of the donor
 - the amount of the gift
 - the amount and description of any advantage¹ received by the donor
 - the eligible amount of the gift²
 - the signature of an individual authorized by the charity to acknowledge gifts
 - the name and website address of the CRA
- ii. Receipts for non-cash gifts must also include:
- the date the gift was received (if not already included)
 - a brief description of the gift received by the charity
 - the name and address of the appraiser (if the gift was appraised)

Examples of official receipts from CRA website

<p>Sample 1 - Cash gift no advantage</p> <p>A donor makes a cash gift of \$20. The donor, or any other person associated with the donor, has not and will not, receive an <u>advantage</u> for the gift. So, the <u>amount of the gift</u> and the <u>eligible amount of the gift</u> are both \$20.</p>  <p>Official donation receipt for income tax purposes Receipt # XXXXX</p> <p>Charity or qualified donee name _____ Receipt issued DD/MM/YYYY Address _____ Charitable registration #: 000000000 RR 0000* Location issued City, Prov.</p> <p>Donated by _____ (First and last name, and initial) Address _____</p> <p>Donation received _____ Amount of gift _____ (Date or year)** _____ (Fair market value of property)</p> <p>Eligible amount of gift _____ (Fair market value of property)</p> <p>Authorized signature: _____</p> <p>Canada Revenue Agency - canada.ca/charities-giving</p> <p><small>*Only registered charities, Canadian athletic associations and national arts service organizations have a charitable registration number. **Registered charities and registered Canadian amateur athletic associations can choose to use only the year the cash gift was received.</small></p>	<p>Sample 3 - Non-cash gift no advantage</p> <p>A donor makes a gift of a piece of artwork with an appraised value of \$1,500. The donor, or any other person associated with the donor, has not and will not, receive an <u>advantage</u> for the gift. So, the <u>amount of the gift</u> and the <u>eligible amount of the gift</u> are both \$1,500.</p>  <p>Official donation receipt for income tax purposes Receipt # XXXXX</p> <p>Charity or qualified donee name _____ Receipt issued DD/MM/YYYY Address _____ Charitable registration #: 000000000 RR 0000* Location issued City, Prov.</p> <p>Donated by _____ (First and last name, and initial) Address _____</p> <p>Donation received _____ Amount of gift _____ (Date) _____ (Fair market value of property)</p> <p>Eligible amount of gift _____ (Fair market value of property)</p> <p>Description of property donated _____ Fair market value appraised by _____ Address of appraiser _____</p> <p>Authorized signature: _____</p> <p>Canada Revenue Agency - canada.ca/charities-giving</p> <p><small>*Only registered charities, Canadian athletic associations and national arts service organizations have a charitable registration number.</small></p>
<p>Sample 2 - Cash gift with advantage</p> <p>A donor pays \$50 to attend a fundraising dinner and receives a meal valued at \$20. The <u>amount of the advantage</u> (the \$20 meal), must be subtracted from the <u>amount of the gift</u> (the \$50 to attend the dinner). So, the <u>eligible amount of the gift</u> is \$30.</p> <p>Note</p> <p>If the <u>amount of the advantage</u> is more than 80% of the cash gift, an official donation receipt cannot be issued. For more information, go to Split receipting.</p>  <p>Official donation receipt for income tax purposes Receipt # XXXXX</p> <p>Charity or qualified donee name _____ Receipt issued DD/MM/YYYY Address _____ Charitable registration #: 000000000 RR 0000* Location issued City, Prov.</p> <p>Donated by _____ (First and last name, and initial) Address _____</p> <p>Donation received _____ Amount of gift _____ (Date or year)** _____ (Fair market value of property)</p> <p>Total \$ received by charity _____ A Eligible amount of gift _____ C (Line A minus Line B)</p> <p>Value of advantage _____ B (Cash/Fair market value of property)</p> <p>Description of advantage _____</p> <p>Authorized signature: _____</p> <p>Canada Revenue Agency - canada.ca/charities-giving</p> <p><small>*Only registered charities, Canadian athletic associations and national arts service organizations have a charitable registration number. **Registered charities and registered Canadian amateur athletic associations can choose to use only the year the cash gift was received.</small></p>	<p>Sample 4 - Non-cash gift with advantage</p> <p>A donor gives a charity a house valued at \$100,000. The charity gives the donor \$20,000 in return. The <u>amount of the advantage</u> (\$20,000) must be subtracted from the <u>amount of the gift</u> (the \$100,000 value of the house). So, the <u>eligible amount of the gift</u> is \$80,000.</p> <p>Note</p> <p>If the <u>amount of the advantage</u> is more than 80% of the <u>fair market value</u> of the gift, an official donation receipt cannot be issued. For more information, go to Split receipting.</p>  <p>Official donation receipt for income tax purposes Receipt # XXXXX</p> <p>Charity or qualified donee name _____ Receipt issued DD/MM/YYYY Address _____ Charitable registration #: 000000000 RR 0000* Location issued City, Prov.</p> <p>Donated by _____ (First and last name, and initial) Address _____</p> <p>Donation received _____ Amount of gift _____ A (Date) _____ (Fair market value of property)</p> <p>Value of advantage to _____ B Eligible amount of gift _____ C (Cash/Fair market value of property) (Line A minus Line B)</p> <p>Description of property received _____ Fair market value appraised by _____ Address of appraiser _____ Description of advantage _____</p> <p>Authorized signature: _____</p> <p>Canada Revenue Agency - canada.ca/charities-giving</p> <p><small>*Only registered charities, Canadian athletic associations and national arts service organizations have a charitable registration number.</small></p>

- 1 “Advantage” - is the total value, at the time the gift is made, of all property, services, compensation, or other benefits that a person is entitled to receive in relation to the gift.
- 2 “Eligible amount of gift” is the amount of which the fair market value of the gift exceeds the amount of the advantage received as a result of the gift. This is the amount for which a qualified donee can issue a receipt.
 (e.g. PBS gives a program CD valued at \$30 when a donation of \$100 is made. The CD value of \$30 is deducted from the gift leaving the official receipt amount as \$70. The CD is the *advantage* and the *eligible amount of gift* is the difference \$70.)

CASH DONATION EXAMPLE RECEIPT

Official donation receipt for income tax purposes



Arrowsmith Community Justice Society
421 Pym Street North
Parksville, BC, V9P 1B9

Charitable registration #: 86749 1029 RR0001

Receipt # 2021-001

Receipt issued: ___/___/____
DD/MM/YYYY

Location issued: Parksville, British Columbia

Donated by:
(First & last name, and initial)

Address:

Donation received: ___/___/____ Amount of gift: \$
DD/MM/YYYY

Eligible amount of gift: \$

Authorized signature :

Canada Revenue Agency - canada.ca/charities-giving

Official donation receipt for income tax purposes



Arrowsmith Community Justice Society
421 Pym Street North
Parksville, BC, V9P 1B9

Charitable registration #: 86749 1029 RR0001

Receipt # 2021-001

Receipt issued: ___/___/____
DD/MM/YYYY

Location issued: Parksville, British Columbia

Donated by:
(First & last name, and initial)

Address:

Donation received: ___/___/____ Amount of gift: \$
DD/MM/YYYY (Fair market value of property)

Eligible amount of gift: \$
(Fair market value of property)

Description of property donated:

Fair market value appraised by:

Address of appraiser:

Authorized signature :