

Christ the Teacher Catholic Schools

ADMINISTRATIVE PROCEDURES

SECTION:	500 – BUSINESS PROCEDURES	CODE:	AP 528
PROCEDURE:	CHARITABLE DONATIONS		

BACKGROUND

The Division shall acknowledge cash or other donations for the advancement of education within the Division by issuing receipts which may enable the donor to claim the donation as a tax deduction.

PROCEDURES

1. The administration of this administrative procedure shall be carried out under the direction of the Chief Financial Officer in consultation with the Director.
2. A gift, for purposes of the Income Tax Act, is a voluntary transfer of property without consideration. A registered charity can issue an official donation receipt for a gift it receives if all of the following conditions are met:
 - 2.1 There is a transfer of property to the charity;
 - 2.2 The property is given voluntarily; and
 - 2.3 The donor receives no benefits in return.
3. All gifts which are eligible for income tax deduction must be for the advancement of education, specifically:
 - 3.1 Establishment of student or staff scholarships or other awards;
 - 3.2 The purchasing of capital equipment and furnishings; or
 - 3.3 Enhancement of co-curricular and/or extracurricular programs.
4. The following types of payments cannot be considered as gifts eligible for income tax deduction:
 - 4.1 Tuition fees or other payments for which any right, privilege, benefit or advantage may accrue to the donor;
 - 4.2 Payments to be used to purchase the services of staff, tutors or similar persons or to purchase books and other instructional materials which are normally paid for by way of fee or rental;
 - 4.3 Instructional materials fees or rentals for books, equipment and musical instruments;
 - 4.4 Where amounts cannot be identified as having been made by a particular donor;
 - 4.5 Provision of services where, instead of payment for services rendered, the person simply requests an official donation receipt for the value of the services; or

- 4.6 Amounts paid for activities such as tickets for card parties, bingos, lotteries, social functions, graduations, etc.
5. All funds received shall be processed through the Division accounting system, specifically identified and appropriately recorded.
 6. Receipts for income tax purposes shall not be issued for donations of less than ten dollars (\$10.00).
 7. Receipts for income tax purposes are not to be issued for non-cash gifts valued at less than fifty dollars (\$50.00). The value of non-cash gifts will be determined by an independent appraisal. The appraiser will be a qualified individual, approved by the Division, with no relationship to the Division.
 8. This administrative procedure shall remain in effect only for that period of time that the Division continues to qualify for Canada Revenue Agency tax exempt status as a charitable organization.
 9. Any changes to this administrative procedure are to be made only after review with Canada Revenue Agency.
 10. All donations received are to be forwarded to the Chief Financial Officer for consideration as a valid donation "for the advancement of education". Any donation may be refused if, in the opinion of the Director, it is not in the best interest of the education system (or does not fit the guidelines specified in this administrative procedure).
 11. All approved donations shall be disbursed as directed by the donor. In the case of donations being received without specific instructions for their use, the Director shall decide upon the use of such funds.
 12. Official receipts in the format prescribed by Canada Revenue Agency shall be issued by Division Office. The only authorized person to sign will be the Chief Financial Officer. An administrator may wish to acknowledge a particular donation in some appropriate manner.

Reference: Sections 85, 87, 108, 109, 110 Education Act
Income Tax Act

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