



Charitable Tax Receipting Policy of the Royal LePage Shelter Foundation

There is no requirement in the *Income Tax Act* for a registered charity to issue an official donation receipt or that it issue a receipt within a certain timeframe. The Canada Revenue Agency (CRA) suggests that registered charities issue receipts by February 28 of the calendar year that follows the year of the donation. This allows individual taxpayers to claim their donations on their annual income tax returns.

Tax receipts will be issued by the Royal LePage Shelter Foundation for donations in the following circumstances:

- The monetary gift is \$20 or more
- The cheque is made payable directly to “Royal LePage Shelter Foundation” and complete and legible mailing information is provided
- Due to the complexity of the documentation required by the CRA, receipts at a third party event will only be issued for donations made directly to Royal LePage Shelter Foundation, where there is **no participant registration fee and no benefit** to the individual from the event (i.e. silent auction items, golf registration fees, prizes, handouts)

Tax receipts will not be issued by the Royal LePage Shelter Foundation in the following circumstances:

- Sponsorships
- Gifts-in-kind - unless specifically requested and only if the donation is made by an individual and only if that individual can provide reasonable support of the current fair market value of the goods (store sales receipt, invoice or professional appraisal)
- Gifts of services (for example, donated time, labour)
- Donations of inventory
- Gift certificates donated by the issuer
- Items purchased at an auction
- The payment of a fee for admission to an event or to a program
- Payment for a lottery ticket, contest or other chance to win a prize
- The purchase of goods or services from the Foundation
- Donations in exchange for advertising
- Donation where the donor receives a benefit or an “incentive” (example casual Fridays, BBQ for charity, etc)
- A court ordered transfer of property to the Foundation
- Loans of property
- Use of a timeshare
- The lease of premises

Special Note on In-Kind Donations from Businesses

Businesses can deduct the original cost of the inventory as a business expense and not lose the tax benefit associated with the transfer of property. The Foundation will issue a gift in kind letter that can be used to verify the write off of the inventory.

If a business insists on receiving a receipt for an in-kind donation, the Fair Market Value of the donation must be included in their income. Because the amount of the deduction related to the official receipts for the income tax purposes is offset by the income inclusion, there is no net benefit to the business as a result of having received a tax receipt.

Special Note on Donations of Services

Contributing services such as time and effort is not a transfer of property and therefore cannot be issued an official donation receipt. However, a charity can pay an individual such as a lawyer, accountant, or entertainer for services rendered and later accept the voluntary return of all, or part of, the payment as a donation. This process is often referred to as a "cheque exchange". In this situation, the charity can issue an official donation receipt, but the donor must declare this income when filing their income tax return.

Note to all offices holding events in support of the Royal LePage Shelter Foundation:

Only a charity registered with CRA can issue official donation receipts. Within the charity, only individuals authorized to do so can sign the tax receipt and the receipt must include CRA-specified information.

For questions about official donation receipts or conducting a fundraising event, contact:

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You can also visit the CRA website:
<http://www.cra-arc.gc.ca/tx/crts/prtng/rcpts/menu-eng.html>

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