

Issuance of Charitable Receipts

Catholic School Councils - Hamilton Wentworth Catholic District School Board

The following information outlines the proper procedures that should be followed regarding the issuance of charitable receipts.

It is important that all of our schools are kept aware of the correct practices that must be followed, especially in light of the large increase in fundraising activities over the past few years.

1. The Board first qualified as a registered charitable organization in 1988 under the criteria of “advancement of education.” Activities that are considered as “advancements of education” are as follows:

- providing and operating schools
- providing scholarships, bursaries and prizes
- promoting research for educational purposes
- the advancement of science
- nurturing an appreciation of aesthetic matters such as art, music and literature

The Board is able to issue charitable receipts to individuals or companies who make donations toward one of the above activities. Cash donations made to provide financial assistance to students at Christmas or other times of the year are not eligible for charitable receipts. Helping a student out by providing cash for Christmas presents or food hampers does not fall under the definition of “advancement of education.” These acts of kindness would only be eligible for charitable receipts if our Board qualified as a registered charity under the criteria of “relief of poverty”, which we do not.

2. A donation is defined as a gift made by a donor, with no material benefit bestowed upon the donor. Therefore, in order to qualify for a charitable receipt, the donor must not be receiving any other material benefit for the donation.

3. Charitable Receipts will be issued for any donation of \$20.00 or more.

4. “Gifts in kind” are eligible for receipts. This refers to a donation other than cash. (e.g. donation of an old car, or a computer.) “Gifts in kind” must be accompanied by a third-party appraisal (the appraisal must come from someone other than the donor).

5. Some of our schools have been organizing fundraising auctions. Charitable donations can be issued for the following donations:

- If an item is purchased to be auctioned off at the event, the invoice showing the amount paid for the item must accompany the request for a receipt.
- If a business donates an item from their inventory, they must provide an invoice and show the transaction as a sale in their books. Once we receive this invoice we can issue a receipt to the business.
- If a work of art is donated (painting, pottery, etc.), the item must be appraised before we can issue a tax receipt to the donor. **The appraiser cannot be the actual artist.** Remember that all money raised through the auction must be used in activities as outlined in Point 1 above.

6. A donation of a “gift certificate” is not considered a charitable donation by the Canada Revenue Agency (CRA), and thus the Board cannot issue a receipt for such a donation. If a company wishes to donate a gift certificate they must actually donate the cash value of the certificate. The school would then purchase the gift certificate. It is the donation of the cash that will trigger the issuance of the charitable receipt.
7. Canada Revenue Agency requires that proper record keeping practices be kept of all donations and the related expenditure. Therefore, it is very important that all our schools have proper record keeping practices in place. This is where the use of School Cash Suite will be of benefit. In addition, if the School Council is handling funds, they must also be using proper record keeping practices. It is important to retain all supporting documents outlining how the donated funds have been spent.
8. Please encourage the use of the Online Donation module. A link to this module is listed on each school website by clicking on the “Donate now” button. **Please be sure to remind all parents/potential donors that the online donation module is for donations only, and not for the purchase of online items (ex. books, spirit wear, hot food items, etc.) Any funds posted for non-donation related items will have their charitable tax receipt retracted.**
9. Please remember that all charitable donations must be submitted to the school by December 31 of the year in which the donation was made. This is to ensure that the donor receives a receipt for the year in which the donation was made. All donations must reach the Board office by the **2nd mailbag in January, following the year the donation was received.**
10. All donations must be posted to the Board’s General Ledger. All donations received by cheque must be payable to the school. The school must take a photocopy of each cheque and then deposit the cheques into its own bank account. For all donations, **please scan copies of all pledge sheets listing clearly the donation amount, name and address of the donor.**

The school must then issue a cheque to the Board for the amount of the donation. When forwarding the cheque to the Board the school must also forward a copy of the original cheque. If a school receives several cheques they can be summed up and one cheque forwarded to the Board, with copies of the original cheques attached.

For Example: School ‘A’ receives the following cheques as charitable donations, payable to the school:

<u>Donor</u>	<u>Amount</u>
Mr. Black	50.00
Ms. White	60.00
Mrs. Gray	25.00

School ‘A’ deposits the cheques and forwards one cheque to the Board for \$135.00, with copies of the original three (3) cheques.

Any inquiries regarding this information or charitable receipts can be forwarded to the following:

Maggie Mamone-Vollmar, Administrative Assistant, Finance, ext. 2139
 Nancy DeGiuli, Controller of Business Services, ext. 2124