

Administrative Procedure 526 - Charitable Donations

Background

The Division encourages and welcomes donations for the advancement of education within the jurisdiction. It maintains, therefore, "Registered Charity" status and may issue tax receipts for qualified donations.

Procedures

1. 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:
 - 1.1. There is a transfer of property to the charity.
 - 1.2. The property is given voluntarily; and
 - 1.3. The donor receives no benefits in return.
2. The administration of these procedures shall be carried out under the direction of the Secretary-Treasurer in consultation with the Superintendent.
3. All donations which are eligible for income tax deduction must be for the advancement of education, specifically:
 - 3.1. the establishment of student or staff scholarships or other awards;
 - 3.2. the purchasing of capital equipment and furnishings; or
 - 3.3. enhancement of co-and/or extracurricular programs.
4. Official Tax Receipts
 - 4.1. Official receipts for income tax purposes will be issued for certain donations in accordance with the *Income Tax Act* and its regulations and this Administrative Procedure.
 - 4.2. Only the Secretary-Treasurer, may authorize official receipts for income tax purposes on behalf of the Division.
 - 4.3. Official receipts for income tax purposes for eligible donations in the form prescribed by Canada Revenue Agency will be issued by the Secretary-Treasurer in the name(s) of the donor(s)
5. The following are examples of donations or other payments which are not eligible for an official receipt for income tax purposes according to the *Income Tax Act*, Interpretation Bulletins and Information Circulars:

- 5.1. Tuition fees or other payments for which any right, privilege, benefit or advantage may accrue to the donor;
 - 5.2. 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;
 - 5.3. Instructional materials fees or rentals for books, equipment or musical instruments;
 - 5.4. Payments which cannot be identified as having been made by a particular donor;
 - 5.5. Amounts paid for admissions to concerts, dinners, athletic events, social functions, graduations, or similar activities;
 - 5.6. Donations of services, including volunteer help; or
 - 5.7. Donations of nominal or sentimental value, such as used clothes, used furniture, home baking, hobby crafts, and animals.
6. All funds received shall be processed through the Division's regular accounting system, specifically identified and appropriately recorded.
 7. Receipts for income tax purposes shall not be issued for donations of less than twenty-five dollars (\$25).
 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 guidelines.
 10. All donations received are to be forwarded to the Secretary-Treasurer for consideration as a valid donation "for the advancement of education". Any donation may be refused if, in the opinion of the Secretary-Treasurer, it is not in the best interest of the education system or is not of a charitable nature.
 11. All proposed uses for the amount to be donated must be submitted to the Secretary-Treasurer for approval before any commitment is made to the donor(s).
 12. All approved donations shall be disbursed as directed by the donor for the activity approved "for the advancement of education" as soon as possible. In the case of donations being received without specific instructions for their use, the Division shall decide upon the use of such funds.
 13. Recognition of Donations
 - 13.1. A Principal or other administrator may acknowledge a donation in an appropriate manner.

13.2. An acknowledgement of a donation is not an official receipt for income tax purposes.

Reference: Section 33, 52, 53, 68, 188, 197, 222 Education Act
Societies Act
Income Tax Act

Effective: 1997-11-13
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