

## ADMINISTRATIVE PROCEDURE NO. 530

### CHARITABLE DONATIONS

#### Background

The Red Deer Catholic Regional Division is a registered charity under the provisions of the *Income Tax Act* and can receive gifts for either the enhancement of educational programs within the Division or for the benefit of students or staff. A gift under the Act is the voluntary transfer of property without consideration.

#### Procedures

1. The Assistant Superintendent of Finance, in consultation with the Superintendent, shall be responsible for the administration of the procedures governing the receipt of charitable donations.
2. An official donation receipt signed by the Assistant Superintendent of Finance will be given for a gift which meets all of the following conditions:
  - a. There is a transfer of property, usually cash, to the Division;
  - b. The property is given voluntarily; and
  - c. The donor receives no benefits in return.
3. All gifts which are eligible for income tax deduction must be for the advancement of education, including:
  - a. The establishment of student or staff scholarships, or other awards;
  - b. The purchasing of capital equipment and furnishings; and
  - c. Enhancement of co-curricular and/or extra-curricular programs.
4. The following cannot be considered as gifts eligible for income tax deduction:
  - a. Tuition fees, or other similar fees and payments;
  - b. Payments used to purchase books and other instructional materials;
  - c. Instructional fees and fees for book rentals, equipment, musical instruments and transportation;
  - d. Those cases where a specific donor cannot be identified;

- e. Where services are provided and the supplier requests a donation receipt for the value of the services rather than payment; and
  - f. Amounts paid for activities such as tickets for card parties, bingo, lotteries, social functions, and graduations.
5. All funds received as donations shall be processed through the Board's regular accounting system, specifically identified and appropriately recorded.
  6. Receipts for income tax purposes shall not be issued for cash gifts of less than \$20.00.
  7. Receipts for income tax purposes for non-cash gifts of less than \$200.00 shall not be issued. The value of a non-cash gift will be determined by an independent qualified appraiser.
  8. Receipts for income tax purposes shall continue to be issued as long as the Division continues to qualify for Canada Customs and Revenue Agency tax status and any change in procedures will be made only after review with Canada Customs and Revenue Agency.
  9. All donations received are to be submitted to the Assistant Superintendent of Finance who will determine if the gift meets the guidelines and qualifies as a valid donation.
  10. All approved donations shall be disbursed as directed by the donor. If the donor has not specified specific instructions, the Board shall decide upon the use of such funds.