



ADMINISTRATIVE PROCEDURE	
<i>Approval Date</i> 2015	<i>Replacing</i> All Previous
<i>Review Date</i> 2020	<i>Page</i> 1 of 7
<i>Contact Person/Department</i> Superintendent of Business	<i>Identification</i> BU-3526

CHARITABLE DONATIONS

1.0 PURPOSE

Trillium Lakelands District School Board recognizes the value of donations and contributions in supplementing current services and resources. The Board welcomes donations and contributions from individuals and organizations for the advancement of the education of students.

2.0 REFERENCES/RELATED DOCUMENTS

- 2.1 Income Tax Act
- 2.2 Interpretation Bulletin – IT-297R2 – Gifts in Kind to Charity and Others
- 2.3 Interpretation Bulletin – IT-110R3 – Gifts and Official Donation Receipts

3.0 TERMS AND DEFINITIONS

- 3.1 Gift – is a voluntary transfer of property without valuable consideration. Generally a gift is made if all three of the conditions listed below are satisfied:
 - a) some property – usually cash – is transferred by a donor to a registered charity;
 - b) the transfer is voluntary;
 - c) the transfer is made without expectation of return.
- 3.2 Gift in Kind – the term gift in kind refers to a gift of property other than cash – in particular capital property, depreciable property and personal-use property. It also includes a residual interest, a right of any kind, a license, a share, and inventory of a business. It does not include a gift of services.
- 3.3 Fair Market Value – generally means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.

4.0 ADMINISTRATIVE PROCEDURE

4.1 GENERAL

- 4.1.1 The Board has established itself as a charitable organization for the purposes of receiving charitable donations and must operate within the regulations set out for such an organization by Canada Revenue Agency (C.R.A.). This document will provide a standard procedure for the receipt of Charitable Donations.
- 4.1.2 No member of the Board or other employee of the Board is permitted to receive a personal gift or donation from any supplier of goods or services to the school board.
- 4.1.3 It is the responsibility of the Board's Accounting Department to maintain the booklets of official income tax receipts, duly numbered and containing the Board's official charitable registration number.
- 4.1.4 The Board will not issue an official receipt for income tax purposes for donations that are not eligible for an official receipt according to the Income Tax Act, Interpretation Bulletins and Information Circulars, including but not limited to:
- a) Donation of goods in trade, subject to Section 3.0 of this administrative procedure, Donations in Kind; and
 - b) Services rendered.
Example: labour to install an outside playground equipment unit.

4.2 MONETARY DONATIONS

4.2.1 General Guidelines

- a) All donations of money are gratefully accepted, however, official receipts for income tax purposes will only be issued for amounts of \$25.00 or greater. Monetary donations, made on behalf of an individual school or for the system as a whole, will be accepted and tax deductible receipts will be issued for:
 - i) the establishment and/or promotion of scholarships and bursaries;
 - ii) the giving of prizes, exhibitions, or rewards to the students of the Board;
 - iii) the educational advancement of Board students;
 - iv) the support of athletic and extra-curricular activities for students of the Board; and/or
 - v) the purchase of equipment.

- b) All cheques must be made payable to the “Trillium Lakelands District School Board Charitable Trust” and forwarded to the Board’s Accounting Department.
- c) A receipt for donations received will be issued to each donor by the Accounting Department.
- d) In circumstances where an official income tax receipt is voided, it shall be attached to the donation log to validate that it has not been issued.
- e) In the event of lost or stolen income tax receipts, the Accounting Department shall notify the Canada Revenue Agency, Charities Directorate at the following address:

Charities Directorate
Canada Revenue Agency
5th Floor, 400 Cumberland Street
Ottawa, Ontario K1A 0L5
- f) A permanent record of donations received by the board from individuals or organizations shall be kept by the Accounting Department.

4.2.2 Application

- a) Upon receipt of a monetary donation of \$25.00 or greater, the school principal shall forward the cheque received to the Board’s Accounting Department for deposit into the Board’s Charitable Trust Account. In turn, the Accounting Department shall remit a cheque payable to the respective school in the full amount of the donation for deposit into the school’s School Generated Funds account.
- b) The school shall ensure that an official log of all monetary donations is maintained, containing the full name, address and telephone number of the donor, as well as the control number contained on the respective income tax receipt (refer to attached form – Appendix 1). This log shall be submitted to the Superintendent of Business by December 31st of each year.

4.3 DONATIONS IN KIND

4.3.1 General Guidelines

- a) Donations in kind shall include stocks, bonds, other negotiable instruments, and/or equipment and materials.

- b) Donations in kind from a community, group or individual shall be encouraged; however, official income tax receipts shall be issued for items of equipment with a fair market value of \$100.00 or greater.
- c) Donors of real property and/or other material goods requesting a charitable donation receipt shall provide, at their own expense, a qualified third-party appraisal of the market value of the item(s) being donated. This documentation of Fair Market Value (FMV) must be able to be established and substantiated. Schools should make every effort to obtain independent quotes to support these claims.
- d) Where a donor contributes property that consists of many individual units, the appraised market value shall be based on the collective value of the entire contribution rather than on a per unit basis.
- e) Prior to a donation being accepted, the Purchasing Department shall be consulted to ensure that:
 - i) the equipment is compatible with related equipment and supplies and conforms to Board standards;
 - ii) the donation be approved in advance of receipt with the Board-level department responsible for maintaining the equipment.
- f) Goods donated to schools will be retained at the receiving school under the ownership of the Board. The Board will retain the discretion to remove, repair or modify any item which is obsolete, worn out or unsafe.

4.3.2 Application

- a) Upon receipt of a donation in kind, the respective school principal shall record the transaction on the Board's "Application for Charitable Donation in Kind Official Receipt", including the donor's full name and address, description of materials and/or equipment donated, and value of donation, based on appraised value indicated on documentation of Fair Market Value provided by donor (Refer to attached form – Appendix 2).
- b) Upon receipt of a donation in kind of \$100.00 or greater (based on the fair market value appraisal), the Accounting Department shall issue an official receipt for income tax purposes, if requested. The receipt shall be clearly marked "Donation in Kind" and a full description of the donated item shall be indicated on the receipt.

c) In circumstances where an official income tax receipt is voided, it shall be attached to the donation log to validate that it has not been issued.

d) In the event of lost or stolen income tax receipts, the Accounting Department shall notify the Canada Revenue Agency Charities Directorate at the following address:

Charities Directorate
Canada Revenue Agency
5th Floor, 400 Cumberland Street
Ottawa, Ontario K1A 0L5

e) The “Application for Charitable Donation in Kind Official Receipt”, with accompanying documentation of Fair Market Value, shall be submitted annually to the Superintendent of Business on or before December 31st.

4.4 CHARITABLE GIFT PRODUCTS

4.4.1 In circumstances where the charitable gift (or donation in kind) is of a nature that is much more complex than an outright gift of cash or securities, the school principal shall consult with the Superintendent of Business in order to determine if the issuance of an income tax receipt for the donation product (in compliance with C.R.A. requirements) is in the best interests of the Board and/or specific school.

4.4.2 Examples of such charitable gift products may include charitable remainder trusts, gifts of residual interest in a particular property, gifts of real estate, gifts of shares in privately owned companies and any large gift of tangible personal property involving a promoter who is brokering the transaction.

5.0 APPENDICES

5.1 Appendix 1 – Monetary Donations Reconciliation Log

5.2 Appendix 2 – Application for Charitable Donation in Kind Official Receipt



**MONETARY DONATIONS
Reconciliation Log**

SCHOOL NAME: _____

This form is to be submitted annually to the office of the Superintendent of Business on or before **December 31st**.

Only one report per school per year is to be submitted.

Receipts will only be issued where the value of the donations by an individual are \$25.00 or greater.

It is imperative that the complete name and address of the donor be included for auditing purposes.

If more than one line is needed to describe the items donated, the name and address and the value of the donation need only be inserted once.

Name	Address	Telephone No.	Value of Donation	Control/Receipt No.

Principal's Signature: _____

Date: _____



**APPLICATION FOR CHARITABLE DONATION IN KIND
OFFICIAL RECEIPT**

SCHOOL NAME: _____

The form is to be submitted annually to the office of the Superintendent of Business on or before December 31.

Only one report per school per year is to be submitted.

Receipts will only be issued where the value of the donations by an individual is \$100 or greater.

It is imperative that the complete name and address be reported to facilitate mailing the receipt to the donor by the Board.

If more than one line is needed to describe the items donated, the name and address and the value of the donation need only be inserted once.

Documentation supporting Fair Market Value must be attached.

Any monetary donations are not required to be included on this form. (See Appendix 1)

Donor's Name and Address	Description of Materials, or Equipment Donated	Value of Donation

Principal's Signature: _____

Date: _____