

DONATIONS AND REGISTERED CHARITABLE STATUS

Background

To facilitate the receipt of tax deductions for individuals or organizations wishing to make donations to the school system, the District may register itself or a part of its operations as a designated Charitable Organization.

The Board has authorized the registration of Greater St. Albert Catholic Regional Division No. 29 as a Registered Charity under paragraph 149(1)(f) of the *Income Tax Act*, effective January 1, 1995.

The St. Albert and Sturgeon Valley School District Establishments Act, Statutes of Alberta, 2012, effective July 1, 2012, sets out in section 7 that all assets, liabilities, rights and obligations of The Board of Trustees of The Greater St. Albert Catholic Regional Division No. 29 are transferred to and become the assets, liabilities, rights and obligations of The Board of Trustees of The Greater St. Albert Roman Catholic Separate School District No. 734.

Guidelines

1. The registered charity will be regulated by the statutory requirements as set forth by the Charities Directorate of the Canada Revenue Agency.
2. The registered charity will be structured as a vehicle for the receipt and appropriate application of donations from individuals, groups or organizations wishing to contribute to the District.
3. The administration of this procedure shall be carried out under the direction of the Secretary-Treasurer in consultation with the Principal.
4. All cash or in-kind donations, received as donations eligible for income tax deduction, must be for the advancement of education, specifically:
 - 4.1 The establishment of student or staff scholarships, or other awards.
 - 4.2 The purchasing of capital equipment and furnishings.
 - 4.3 The enhancement of co-curricular or extra-curricular programs.
 - 4.4 All in-kind donations for which an eligible tax receipt is required must be accompanied by an independent appraisal or proof of the value of the article(s) donated. Where donated articles are deemed to have a value in excess of \$500, there must be proof of value or two independent appraisals provided. Whenever a discrepancy exists between appraisals, the receipt will be issued for the average value of the two appraisals.

- 4.5 The donor shall be responsible for any and all costs related to an independent appraisal.
5. The following types of payments cannot be considered as donations eligible for income tax deduction.
 - 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 Amounts that cannot be identified as having been made by a particular donor.
 - 5.5 Donations of services or commodities.
 - 5.6 Amounts paid for tickets for card parties, bingo, lotteries, social functions, graduations or similar activities.
6. All donations (whether in cash or in-kind) must be for application within the District to the benefit of students of the District and remain the property of the Board.
7. The Board reserves the right to alter or dispose of the goods or materials in any way that will enhance their use in the District.
8. All funds received shall be processed through the District's regular accounting system, specifically identified and appropriately recorded.
9. All cash must be receipted but receipts for income tax purposes shall not be issued for donations of less than \$25.
10. This procedure shall remain in effect only for the period of time that the Board continues to qualify for Canadian Revenue Agency tax exempt status as a charitable organization.
11. Any changes to this procedure should be made only after review with Canadian Revenue Agency.

Procedures

1. 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 or the Principal, it is not in the best interest of the education system or is not of a charitable nature.
2. All proposed uses of the amount to be donated must be submitted to the Principal and Secretary-Treasurer for approval before any commitment is made to the donors.

3. 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 instruction for their use, the funds shall be placed in general revenue.
4. Official receipts, in the format prescribed by Canadian Revenue Agency, shall be issued from the District office. The only authorized person to sign will be the Secretary-Treasurer (or designate). An administrator may wish to acknowledge a particular donation in some appropriate manner. This, however, would not constitute an official receipt for tax purposes.

CHARITABLE DONATIONS REGULATIONS

1. All donations must conform to the Income Tax Act as it relates to charitable organizations.
2. No official receipt can be issued for:
 - 2.1 Payment for membership.
 - 2.2 Tuition fees.
 - 2.3 Amounts received by loose collection.
 - 2.4 Donation of services.
 - 2.5 Donation of merchandise that is stock in trade for the donor.
 - 2.6 Donations of old clothes, furniture, etc.
 - 2.7 Amounts paid for admission to concerts, dinners, etc.
 - 2.8 Any portion of the purchase price of a lottery ticket.
 - 2.9 Pledges until the amount is actually paid.
3. All details, including the name and address of the donor, must be entered on the receipt form.
4. A gift must be freely given by the donor and no rights, privilege, material benefit or advantage may be conferred on the donor.
5. Every official receipt issued by a registered organization shall contain a statement that is an official receipt for income tax purposes and shall show clearly in such a manner that it cannot readily be altered:
 - 5.1 The name and address in Canada of the organization as recorded with the Minister.
 - 5.2 The registration number of the organization as assigned by the Minister.
 - 5.3 The serial number of the receipt.
 - 5.4 The place and locality where the receipt is issued.
 - 5.5 Where the donation is a cash donation, the day on which or the year during which the donation was received.
 - 5.5.1 Where the donation is a gift of property other than cash:
 - 5.5.1.1 The day on which the donation was received.
 - 5.5.1.2 A brief description of the property.

- 5.5.1.3 The name and address of the appraiser of the property if an appraisal was done.
- 5.6 The day on which the receipt was issued where that day differs from the day referred to in 5.5 or 5.5.1.1.
- 5.7 The name and address of the donor including, in the case of an individual, his/her name and initial.
- 5.8 The amount that is:
 - 5.8.1 The amount of a cash donation.
 - 5.8.2 Where the donation is a gift of property other than cash, the amount that is the fair market value of the property at the time the gift was given.
- 5.9 The signature of a responsible individual who has been authorized by the organization to acknowledge donations.