



POLICY

DONATIONS AND ISSUING OFFICIAL INCOME TAX RECEIPTS

Department:	Corporate Services	Effective Date:	2013-09-30
Division:	Financial Services	Approval Level:	Council
Section/Facility:	N/A	Policy #:	0032
		Revision #:	N/A

1.0 PURPOSE

- 1.1 This Policy governs the solicitation, acceptance and administration of Donations to the City of Peterborough.
- 1.2 This Policy ensures that Donations are accepted and Official Income Tax Receipts are issued in accordance with the **Income Tax Act**.

2.0 POLICY STATEMENT(S)

- 2.1 The City will issue an Official Income Tax Receipt for cash Donations, Gifts-in-Kind and other non-monetary Donations for City projects or programs that qualify as Charitable Gifts under the **Income Tax Act**.
- 2.2 The City will issue an Official Income Tax Receipt for cash Donations, Gifts-in-Kind and other non monetary Donations for a community project lead by an organization under the following conditions:
 - .1 The Donation has been made to the City.
 - .2 Council deems the project to be in the interest of the City.
 - .3 Council establishes how ongoing direction and control over the use of the funds will occur.
 - .4 a written agreement is entered into between the City and the organization, executed by the Treasurer and the City Clerk.



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2.0 POLICY STATEMENT(S)

2.3 The City Treasurer, or designate, will:

- .1 Authorize all Official Income Tax Receipts.
- .2 Maintain the required records to support the issuance of receipts and use of funds as determined by Council.

2.4 Failure to comply with this Policy and relevant legislation may result in financial penalties, suspension of the City's receipting privileges or revoking of the City's qualified donee status by the CRA. If the City's qualified donee status is suspended or revoked, the City cannot issue Official Income Tax Receipts or receive gifts from registered charities during that period.

3.0 APPLICATION

3.1 This Policy applies to Council and all City staff that collect Donations and/or issue income tax receipts to the donor.

3.2 This Policy includes Donations of cash, Gifts-in-Kind and other types of Donations to the City for City run projects and programs and Donations received to support community projects, provided by an organization, where the project is under the authority of the City.

3.3 This Policy does not apply and an official income tax receipt cannot be issued when:

- .1 The City acts as a conduit by collecting gifts from donors and then funnels the Donation to a non-qualified donee without maintaining direction and control,
- .2 The organization is already legally or otherwise entitled to the transferred funds or property,
- .3 Fundraising initiatives by staff on behalf of an outside organization (e.g. dress down days for local charities, United Way campaign, etc.), unless provided under the **Income Tax Act**.

4.0 DEFINITIONS/ACRONYMS (As Required)

Charitable Gift - Property that is voluntarily transferred without valuable consideration by an individual or organization with the intent to provide a benefit to another individual or organization.

City - The Corporation of the City of Peterborough.



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4.0 DEFINITIONS/ACRONYMS (As Required)

CRA - The Canada Revenue Agency.

Donation - A gift, which has been given voluntarily and without compensation or non-monetary considerations (e.g. advertising, promotion, services, etc.).

Gifts-in-Kind - A gift of property, other than monetary. These include, but may not be inclusive of:

- a) capital property,
- b) real property,
- c) depreciable property
- d) listed personal property (i.e. print, etching drawing, painting, sculpture, or other work of art, jewelry, rare manuscript or rare book, stamp, coin, etc.)
- e) a leasehold interest,
- f) inventory of a business,
- g) gift certificates, if donated by someone other than the issuer and the donor has obtained the gift certificate for valuable consideration either from the issuer or other third party,
- h) gifts of life insurance policies,
- i) gifts under will.

Official Income Tax Receipt - A receipt issued by charities, and other qualified donees, that are registered with the Canada Revenue Agency's Charities Directorate, for charitable gifts received. The donor may use this receipt to receive a deduction on their income tax.

Qualified Donee - An organization that can issue official donation receipts for gifts it receives from individuals and corporations, and receive gifts from registered charities.



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5.0 APPENDIX, RELATED POLICIES, PROCEDURES & LINKS

(Note: All references refer to the current version, as may be amended from time to time)

5.1 Pertinent Resources

Income Tax Act

CRA Guidance Reference Number CG-004 - Using an Intermediary to Carry out a Charity's Activities within Canada

Report CPFS13-013 - Revised Policy for Donations and Issuing Income Tax Receipts

CRA - RC4409 Rev.11 - Keeping Records

5.2 Related Policies

N/A

5.3 Related Procedures

Donations and Official Income Tax Receipts Procedure

5.4 Related Forms

City of Peterborough Official Income Tax Receipt

5.5 Miscellaneous

Canada Revenue Agency Website - www.cra.gc.ca

6.0 AMENDMENTS/ REVIEWS

Next Review Date	2016-01-01
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Date (yyyy-mm-dd)	Section(s) Amended	Comments
2013-09-30	N/A	Policy approved by Council. See Committee of the Whole Report CPFS13-013 Donations and Issuing Official Income Tax Receipts.