# Administrative Procedure 526

## CHARITABLE DONATIONS

### Background

The Division appreciates charitable donations from the public in support of the public education system.

Black Gold School Division is a registered charity approved by the Canada Revenue Agency (CRA). Therefore, all funds raised through charitable donations must comply with the associated legal and administrative requirements of the Income Tax Act. The funds belong to the school community and must be used only for the purpose of Black Gold School Division. Donated dollars will not be given to an individual and will not be used to provide a benefit to a particular student unless the use qualifies as a “Charitable Purpose or Activity that Benefit Youth”, as outlined in the Income Tax Act.

### Definitions

1. *Donation*: is a gift made by an individual or an organization. They are commonly received in the form of cash, but may also take the form of new or used property. The donation is made without expectation of return.

2. *General Receipt*: is a written acknowledgement that a specified article or sum of money has been received. When the Division receives a donation, a general receipt must be issued immediately.

3. *Charitable Donation Receipt*: is an official receipt for income tax purposes issued for certain eligible donations in accordance with the Income Tax Act and its regulations.

### Procedures

1. Upon acceptance of a donation, the donation becomes the property of the Division.
2. Where a donor places a specific condition on the use of any donation, the Division will endeavor to comply with the wishes of the donor, but reserves the right of final decision over the use of that donation.
3. All cash donated to the Division will be receipted, recorded and accounted for in the appropriate manner including a clear indication of the purpose for which the donation is made. As per CRA guidelines, a donor cannot choose a specific beneficiary but can direct their donations to a particular special event or purpose.
4. If a donor requests a charitable donation receipt, the Official Donation Tax Receipt Request (Form 526-1) must be completed by the Principal or Director and submitted to the Administrative Assistant, Business and Finance.

4.1 Charitable donation receipts for income tax purposes will only be issued for cash donation of $20 or more.

4.2 Charitable donation receipts for income tax purposes will only be issued for donated items with an appraised value of $50 or more.

5. All new property donated to the Division is to be accompanied with an original sales invoice to determine the value of the donation.

   5.1 Schools are responsible for maintaining a record of all non-cash donations.

   5.2 Property that does not meet the Division's standard or is not compatible with existing equipment will not be accepted.

   5.3 Any equipment that may impact Division infrastructure – electrical, plumbing, phone lines, network – must be assessed by the Facilities and/or Technology departments prior to accepting the donation.

   5.4 Donations must not introduce potential health and safety hazards.

   5.5 The repair and maintenance of donated property are within the responsibility of the site.

6. All used property donated to the Division will follow the same procedure as section 5 above.

   6.1 If a charitable donation receipt is requested, the donor will provide an independent appraisal satisfactory to the Business and Finance Department.

7. The following types of transactions cannot be considered as charitable donations for tax purposes:

   7.1 school fees;
   7.2 contribution of services (including time, skills, effort, use of equipment);
   7.3 discounts on goods or services;
   7.4 payment of tickets, admissions, social functions, graduations or similar activities;
   7.5 sponsorships; or
   7.6 other payments for which any right, privilege, benefit or advantage may accrue to the donor.

8. The CRA has special rules for golf tournaments, auctions and similar fundraising events. Principals/Directors must contact the Associate Superintendent, Business & Finance during the planning of such events to seek guidance on determination of eligible donation receipt and its value.

Reference: Section 51, 52, 68, 197, 222 Education Act
Societies Act
Income Tax Act