

NUMBER:	<i>to be determined</i>
TOPIC:	Donations
EFFECTIVE:	November 2009
CROSS-REFERENCE:	
REVISION DATE:	September 2011
RESPONSIBILITY:	Superintendent of Business Services / Treasurer

INTENT STATEMENT

The Halton District School Board is a registered charitable organization that recognizes and values the support of individuals and other organizations that provide donations to the Board for student programs.

PROCEDURES:

The Board may issue an official receipt for income tax purposes, for gifts and donations made to the Board or to individual schools in accordance with Canada Revenue Agency's rules and regulations.

The following guidelines are applied in issuing receipts for charitable donations:

- 1) some property (usually cash) must be transferred
- 2) the transfer must be voluntary
- 3) the transfer must be made without expectation of return

Schools, school council or other bodies affiliated with the school should neither have nor obtain Charitable Registration status with Canada Revenue Agency (excluding Home & School Associations).

Before indicating that a tax receipt will be issued, the principal should contact the board office to assess whether the activity qualifies for charitable donation receipts.

The Superintendent of Business Services may approve exceptions to this policy in accordance with Canada Revenue Agency's rules and regulations.

Trust Funds:

Trust funds established for student awards and other purposes must be held by the Board and cannot be part of School or School Council funds. The Supervisor of Accounting should be contacted for more information on establishing these funds.

Cash Donations:

The following information is entered at the school in the Board's Charitable Donation Receipt Program:

- donor name
- donor address
- date that the donation was made (month and year)
- amount of the donation
- purpose of the donation
- indicate whether or not a thank you letter should be printed

Upon completion of data entry, the school is to email the Junior Accounting Analyst, Accounting Department. The Junior Accounting Analyst will print the receipts (and thank you letters, if requested) and forward them back to the school for distribution.

Donations may be deposited in Board, School or School Council funds (excluding donations for new trust funds, which may only be deposited to Board funds).

Donations made by cheque should only be entered into the donation receipt program after the cheques have been deposited in and cleared by the bank (i.e. minimum 5 business days).

Once a donation receipt has been issued, a donation cannot be returned to a donor if he/she subsequently changes their mind about the donation.

Gifts-In-Kind (i.e. non-cash donations)

Services

Donation receipts cannot be issued for donated services. It is acceptable, however, to buy the services from the individual/company and then have the company/individual donate the funds back to the school. In this case, an exchange of cheques (school to business and business to school) is required. Please note that if the company/individual simply endorses our cheque and present it back to us, this does not qualify as a donation.

Gifts

Schools cannot enter information on non-cash donations in the Board's Charitable Donation Receipt Program.

Schools should send the following information to the Junior Accounting Analyst, Accounting Department:

- donor name
- donor address
- date that the donation was made (month and year)
- purpose of the donation
- acknowledge that the donated item(s) have been received by the school
- indicate whether or not a thank you letter should be printed
- the following documentation to determine the fair market value of the items **donated to** a fundraising event or school:
 - If a school **receives goods from a company/individual that they normally sell**, the company/individual must invoice the Board for the value of the goods and write across the invoice "do not pay - donation to the Board".
The Board will then issue the donation receipt based on the invoice.
 - If a school **receives goods from a company/individual that they normally don't sell** (i.e. IBM donates soccer balls), then the Board needs a copy of the original invoice from the company showing the value of the goods purchased.
 - For donations of used goods with a nominal value of less than \$500, the Board will accept the donation and a recognition letter may be provided however, an official donation receipt for income tax purposes will not be issued.
 - For donations of used goods with a value greater than \$500, the Board needs an appraisal for the fair market value of the goods. The Board's Purchasing Manager can appraise goods with a value under \$1000. For amounts over \$1000, an external appraisal by a qualified appraiser may be required. An agreement should be made between the school and donor with respect to who pays the cost, if any, of the appraisal.

For items **bid on or purchased at** a fundraising event, individuals are **not** entitled to a donation receipt for the amount of their successful bid or the purchase price regardless of the amount paid (i.e. If an individual bids on or purchases an item worth \$50, they cannot receive a receipt if they pay \$1 or \$1,000 for the item.)

Note **that all donated items become the property of the Board.** Once a donation receipt has been issued, items may not be returned to a donor if he/she subsequently changes their mind about the donation.

Gift Certificates

A donation receipt cannot be issued to a company/individual who issues a gift certificate for use in auctions, raffles and other fundraising activities. It is acceptable, however, to buy the gift certificate from the individual/company and then have the company/individual donate the value of the certificate back to the school. In this case, an exchange of cheques (school to business and business to school) is required.

An individual who buys a gift certificate from a company and then donates the certificate to the Board may receive a donation receipt for the value of the certificate, upon presentation of the original invoice/receipt from the company from which the gift certificate was purchased.