

## **CHARITABLE DONATIONS**

### **Background**

Community involvement in keeping with the Division's mission, beliefs and values in the support of educational programs is encouraged. The Division welcomes the assistance of individuals or groups who wish to provide material or financial support for the benefit of students.

Elk Island Catholic Schools supports donations from the school level to non-profit charitable organizations. While social justice causes are considered appropriate, instructional funds shall not be used as donations.

### **Definition**

A charitable donation is a voluntary transfer of property, usually cash, made without expectation of return.

A charitable receipt is an official receipt for income tax purposes issued for eligible donations in accordance with the Income Tax Act and its regulations.

### **Procedures**

1. The Division has the status of a "Registered Canadian Charitable Organization" within the meaning of the Income Tax Act. Donors may be able to claim income tax deductions for the value of donations to the Division, provided that such donations are considered to be "for the advancement of education" as defined under the Income Tax Act and its regulations.
2. Types of Donations:
  - 2.1. Cash Donations - A monetary amount given to the Division for the advancement of education. Although all cash donations are appreciated, official charitable receipts for income tax purposes can only be issued for amounts of \$25.00 or more.
  - 2.2. Non Cash Donations - Items donated to the Division for the advancement of education. In order to accept a non cash donation, a statement verifying fair value (original receipt or independent appraisal) and a signed statement from a Division employee verifying the receipt of the item are required. Although all non

cash donations are appreciated, official charitable receipts for income tax purposes can only be issued for amounts of \$100.00 or more.

2.2.1. Consultation with the Secretary Treasurer prior to accepting non cash donations is strongly encouraged.

2.2.2. The beneficiary school or department of donated items will assume the responsibility of all maintenance, repairs and upkeep.

3. The following types of payments cannot be considered as donations eligible for a charitable receipt:
  - 3.1. Any payments for which any right, privilege, benefit or advantage may accrue to the donor or to any person specified by the donor.
  - 3.2. Payments to be used to purchase the services of staff, tutors, or similar persons.
  - 3.3. Instructional materials fees, rental of books, equipment or musical instruments, lunchroom fees or Division fees.
  - 3.4. Amounts which cannot be identified as having been made by a particular donor.
  - 3.5. Donations of services.
  - 3.6. Amounts paid for admission to performances, social functions, graduations or similar activities.
  - 3.7. Amounts received where in return the donor will receive significant advertising exposure such as the right to issue promotional materials.
  - 3.8. Amounts collected by the Division which will then be forwarded to a third party organization.
4. Before a commitment is made to a potential donor regarding either the proposed use of a donation or the tax deductible status, the following shall apply:
  - 4.1. The Principal shall determine if the donation aligns with the Division's initiatives and follows all Administrative Procedures. (Reference AP 520 - Ethical Fundraising and Charitable Activities in Schools)
  - 4.2. When approving the acceptance of a donation, the Principal shall consider the following:
    - 4.2.1. Any donation may be refused if, in the opinion of the Principal, it would not be in the best interest of the Division to accept it.
    - 4.2.2. All donations shall be used within the Division.

5. Conditions:

- 5.1. Upon acceptance of a donation, the donation becomes the property of the Division.
- 5.2. The Division will seek to adhere to a donor's specific request on the use of the donation, but reserves the right to make the final decision regarding its use.
- 5.3. Significant donations related to scholarships may be permitted to place specific conditions with the approval of the Secretary Treasurer.

6. Receipt Process:

- 6.1. If a donor requests a charitable receipt, the Request for Charitable Receipt form in Atrieve must be completed by the school financial staff. Donor name, address and email are required, along with a document attached showing the receipt of payment or statement of receipt for an item. The form is then submitted to the Finance Department for review and processing of the charitable receipt.
7. The Principal or administrator may acknowledge a particular donation in some appropriate manner. However, acknowledgement shall not constitute an official receipt for tax purposes.
8. The only authorized signatures for a charitable donation receipt are those of the official signing officers of the Division.

Reference: *Education Act*, SA 2012, c E-0.3, ss. 33, 52, 53, 68, 188, 197, 222  
*Societies Act*  
*Income Tax Act (Canada)*