

<b>Title</b>	<b>Effective Date</b>	<b>Revision Date</b>	<b>No. of Pages</b>
<b>No. 307</b> <b>Donations &amp; Gifts</b>	June 2008	April 5, 2016	5

**It is the policy of the Tri-County Regional School Board to accept donations/gifts to assist in the fulfillment of its commitment to provide quality education programs.**

The Board has established itself as a registered charity that must operate within the regulations set out for such an organization by Canada Revenue Agency (CRA). The Board shall accept tax deductible donations related to its operation as a charitable organization, subject to established guidelines.

<b>PROCEDURE under Policy 307</b>
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**1. Donations**

The Board shall use its status as a charitable organization to accept a complete range of tax-deductible donations, as allowed by Canada Revenue Agency (CRA). The receipt and use of such donations shall be governed by the following:

- a) All donations must meet CRA guidelines to be eligible for a tax receipt.
- b) Donors shall be permitted to direct their gifts to specific schools, programs, services and activities.
- c) The full amount of every donation shall be used for its intended purpose.
- d) Prospective donors of equipment, services or funds intended to enhance schools, facilities or grounds, receive approval from the appropriate department prior to commencement of an improvement project.
- e) Any donated equipment or services comply with Board approved standards for safety, construction and/or other municipal, provincial and federal regulations.
- f) It is understood that donated equipment shall be retained at the receiving school under the ownership of the Board.
- g) When a school is closed and declared surplus by the Board, any donations connected to such schools shall be transferred to an appropriate successor school or organization.
- h) The receipt of a gift from a donor does not commit the Board to future maintenance, repair, replacement or disposal. The Board retains the right to remove repair or modify any donation.

**PROCEDURE under Policy 307 cont'd****2. Payments not Acceptable as Donations**

Certain types of donations made to charities do not qualify as deductions for income tax purposes. Accordingly, official receipts bearing a charity's registration number shall not be issued for such payments as follows:

- a) Payments for membership giving an advantage of material character to the member (the right to vote at meetings and to receive financial statements and reports on the charity is not a material advantage).
- b) Tuition fees or other payments for which any right, privilege, benefit, or advantage may accrue to the donor.
- c) Amounts received by loose collection, i.e. where a particular donor cannot be identified as having made a particular donation.
- d) Donations of services where the donor requests that in lieu of payment for services, a donation receipt is issued to the value of services rendered.
- e) Donations of goods where the cost has been charged as a business expense.
- f) Donations of used clothing, furniture, property, and equipment, etc. deemed not for education purposes.
- g) Admission fees to concerts, dinners, and like fund-raising functions.
- h) Any portion of the purchase price of a lottery ticket, despite the fact that the lottery proceeds accrue to one or more charities.
- i) Any other donations not considered by the Board and/or designated to be of a receiptable nature.

**3. Registered Charity Status**

The Board has qualified for the registered charity status. Since schools operate under the jurisdiction of the Board, no school shall be permitted to apply for registered charity status.

**4. Administrative Guidelines****a) Definitions**

- i. Donation/Gift is defined as a voluntary transfer without valuable consideration and acceptance of such by the school or Board means there is to be no reciprocal consideration.

**b) Authority**

- i. The Board has qualified for tax-exempt status as a registered charity under paragraph 149 (1)(f) of the *Income Tax Act*. The charity is designated as a Charitable Organization with the fiscal year end as March 31<sup>st</sup>.
- ii. Charitable tax receipts shall only be issued for the Board in compliance with the requirements of the *Income Tax Act*. Such receipts must include the Business Number as per the charity's registration by the CRA.
- iii. The Director of Finance (or designate) is authorized to provide for the acceptance of any donation. The Director of Finance (or designate) shall be the signing officer on the charitable donation receipts.

**PROCEDURE under Policy 307 cont'd**

- iv. The Director of Finance (or designate) is authorized and responsible to:
  - 1) Ensure that only donations that satisfy the requirements of the Board are approved;
  - 2) Ensure that all charitable tax receipts satisfy the provisions of CRA and *Income Tax Act*;
  - 3) Issue official charitable receipts on a timely basis;
  - 4) Hold and disburse to the specified donee all donations received, subject to trust conditions ;
  - 5) Ensure the registered charity of the Board must file an information return each year no later than September 30<sup>th</sup>. A copy of the annual information may be viewed by contacting the Director of Finance (or designate). and;
  - 6) Refuse any donations that do not meet the Board's guidelines.

**a) Cash Donations**

- ii. Cash Donations are to be used for school program purposes such as:
  - 1) Providing for expenses for educational school or board programs;
  - 2) Purchase of approved types of equipment and supplies for Board and student purposes.

**iii. Procedure for Cash Donations**

- 1) Ensure accountability and proper record keeping for both the Board and CRA purposes, all donations shall be processed through the Director of Finance (or designate) when accompanied by a *Donation/Gift Approval* form (Appendix A).
- 2) If the donor requires a charitable tax receipt and the proposed donation does not qualify for tax receipt status, the donation shall be deemed returned to the Principal for delivery to the donor, unless the donor agrees to waive the request for charitable tax receipt or other conditions that disqualify the proposed donation.
- 3) Only cash donations for amounts of \$15.00 or greater shall be receipted.
- 4) Official charitable receipts signed by the Director of Finance (or designate) shall be sent to the school for distribution to the donor.

**b) Gifts in Kind**

- iv. The Principal of the designated beneficiary school, or other appropriate representative of the Board, shall submit a completed *Donation/Gift Approval Form* (Appendix A) for an amount of \$15.00 or greater. The Director of Finance (or designate) shall determine whether the proposed donation qualifies for approval of acceptance of the donation and charitable donation receipt. Criteria for consideration shall include:
  - 1) Value of the gift to educational programs;
  - 2) Location of the gift in the school building or on the school property;
  - 3) Application installation or repair costs;
  - 4) Board approved standards for safety, construction and/or other applicable municipal, provincial and federal regulations;
  - 5) Security and maintenance requirements;
  - 6) Board standards for equipment (i.e. computers, audio-visual);
  - 7) Any continuing financial or other commitment required by the school or the Board.

## v. Procedures for Gifts in Kind

- 1) The Principal of the receiving school or the Board must inform the Director of Finance (or designate), in writing, of the receipt or intended receipt of donated property or equipment using the *Donation/Gift Approval Form*.
- 2) The Director of Finance (or designate) must establish if the donation is suitable for educational purposes is acceptable.
  - a. If the donor wishes an official charitable receipt, he /she must produce a minimum of one independent appraisal of the item. If the Director of Finance (or designate) agrees that the donation is of educational value and there is more than one appraisal the average of the appraisals shall be accepted as the value.
  - b. An official charitable receipt shall be issued by the Finance Department for the fair market value of the donated property for amounts of \$15.00 or greater.
  - c. Official charitable receipts, signed by the Director of Finance, shall be sent to the school for distribution to the donor. The principal shall be responsible for ensuring the property or equipment is received prior to the release of the receipt.
  - d. The Finance Department shall maintain all documentation to support the value of the receipt issued for seven years.
  - e. All accepted gifts to the Board shall become the property of the Board.
  - f. The Board encourages donations to be unrestricted. In the event a proposed donor requires express restrictions or trust conditions on the proposed gift, such terms must be approved by the Director of Finance (or designate) before acceptance. The Director of Finance (or designate) shall be responsible to maintain adequate records of all such restrictions or trust conditions.
  - g. Installation of, and/alternations to, Board property required in association with acceptance of the gift shall be subject to the approval of the Director of Finance (or designate) and may require Board approval.

**APPENDIX "A"**
**DONATION/GIFT APPROVAL FORM**

This form must be completed and receive approval before any commitment is made to issue charitable donation receipts from the Board.

School:	Date:
Specific purpose of donation(s)/gift(s):	

<b>A</b>	Donations/Gifts of Cash	Shall all donations be cash?	Yes	No
	<b><i>If Cash Donation, you do not have to complete Section B.</i></b>			

<b>B</b>	Donations/Gifts of Property Other than Cash (Include product name where applicable)	New		Used	
	Estimated Fair Market Value:	\$			
	Donor of Gift:				
	Proposed Location in School or on School Grounds:				
	Action Plan for Safety, Security and Maintenance:				
	Name of Third Party Appraiser (Appraisal or letters indicating fair market value <b>must be attached</b> )				

Principal's Signature \_\_\_\_\_ Date \_\_\_\_\_

**Approved by:**

Director of Finance: \_\_\_\_\_ Date: \_\_\_\_\_

**COMPLETE ALL INFORMATION AND FORWARD TO DIRECTOR OF FINANCE**