

POLICY MANUAL

SIR SANDFORD FLEMING COLLEGE

POLICY NO. 4-416	APPROVED BY: BOARD OF GOVERNORS
PAGE 1 OF 2	SUPERSEDES: NEW
DATE APPROVED: JANUARY 5, 2000	
SUBJECT: RECEIPTING CASH & GIFTS IN KIND AS CHARITABLE DONATIONS	

The College will receipt donations of gifts in kind that will become permanent assets of the College. Generally, the Friends of Sir Sandford will receipt items donated for sale or to be used in a fund raising event, held by the Friends of Sir Sandford.

The College can accept either cash or gifts in kind and provide an official charitable receipt to the donor to be used for income tax purposes.

In order to qualify for a receipt, the following procedures must be followed:

All donations must be given with no consideration to the donor. Revenue Canada will not consider a payment to be a gift if the donor receives a right, privilege, benefit or any advantage whatever.

The following payments also do **not** qualify as donations:

- Gifts of services if the donor requests a receipt rather than payment for services
- Gifts of merchandise where the cost was treated as a business expense by the donor (ie: advertising and promotion expenses)
- Gifts of used furniture, old clothes, home cooked food, crafts, etc
- No portion of the ticket price of an event is receiptable if there is an auction held that is not open to the public (also see [ITNEWS-26 - Income Tax - Technical News No. 26](#))

In the case of a gift of services, the College must purchase the services (using College purchasing procedures). The donor then may donate the value of the invoice in cash after payment is made, to obtain a donation receipt.

In the case of an event where there is not an auction, the purchase price, less the fair market value of the event, is receiptable.

Procedures for donations of artwork have special Revenue Canada requirements that differ from all other gifts-in-kind donations. Therefore; the College has two sets of procedures and related forms. Although some similarities do exist in the handling of all gifts in kind, it is important to ensure the procedures with respect to the type of donation are followed appropriately.

It is the responsibility of the Vice President, Finance and Administration or designate to ensure that these procedures are properly enforced, drawing authority from the Board policy on " Receipting Cash & Gifts In Kind As Charitable Donations ", 4-416 approved January 5, 2000.

References: Revenue Canada Interpretation Bulletins IT-110R3, IT297R2

Revenue Canada Information Circular 84-3R4

Deloitte & Touche: Taxation of Charities 1998

[Guidelines](#)