

FINANCE

Policy 611.7-R

Charitable Donations

The School District No. 38 (Richmond) is a registered charity with the Canada Revenue Agency for the purpose of “advancement of education” as defined in the Income Tax Act. The advancement of education for charity purpose must include formal instruction or training of the mind, preparing a person for a job, or improving a useful branch of human knowledge.

Definition and Conditions

A charitable donation is voluntary transfer of property or cash that does not provide a material benefit to the donor or a member of the donor’s family.

For a gift to qualify as a charitable donation, all of the following conditions must be met:

- Property or cash is transferred by the donor to School District No. 38 (Richmond).
- The donation is voluntary.
- The donation is made without expectation of a return.
- The donation can only be accepted, as defined above, and with the prior agreement of both:
 - a. The account coordinator responsible for the activity accepting any donor restrictive covenant on expenditure of the funds, and
 - b. The Secretary Treasurer, or designate, being satisfied that the purpose of the donation complies with the Income Tax Act.
- The district must maintain direct administration on the use of the donation for their intended purposes.

Transaction *ineligible* as a charitable donation and a charitable donation receipt will NOT be issued:

- If there is a benefit of any kind to the donor or their immediate family. The transaction must be “at arms length”.
- For a contribution of personal time or service.
- For a time-share of a period of time arrangement.
- For most “nominal value” used goods that has no fair market value.
- For donation where an exchange of goods for consideration has taken place. The donation must not imply a direct exchange for services rendered.
- If the donation is directed to the benefit of a specific individual.
- For monies provided by parents or guardians for workbooks or field trips for their child.

Authority

The Board assigns authority and responsibility to the Secretary Treasurer to:

- Ensure that donations for which official charitable receipts are to be issued are only accepted where their purpose satisfies the requirement of the Government of Canada Income Tax Act.
- Accept or decline donation-in-kind requests.
- Authorize the issuance of official charitable tax receipts (minimum \$20).
- Hold and disburse charitable funds received subject to trust conditions which may be attached thereto.
- Adhere to all charitable donation requirements of the Canada Revenue Agency.

Donation-In-Kind

Donation-in-kind is a tangible piece of property for which title is transferred from the donor to the school district. It is a non-cash gift.

Donation-in-kind can only be accepted and commitment made to issue "donation-in-kind" charitable receipts after:

1. The donated goods adheres to the district's standards of quality, suitability and reasonableness of life cycle operating cost. It must be of a standard acceptable to the school district including considerations of technical operation, health, safety and aesthetic acceptability.
2. Donated equipment must be operational and capable of being operated and repaired at a reasonable cost.
3. The goods must be of educational purposes not for resale.
4. Fair market value has been substantiated by management and agreed to by the donor.
 - a. Computers and other information technology equipment - by Technology Services Department.
 - b. All other donation-in-kind - by Purchasing Department.
5. Confirmation that the goods have been received by the school district.