



**RICHMOND  
CHRISTIAN  
SCHOOL**

EST. 1957

POLICY NUMBER AND NAME: 06.02.01 DONATION RECEIPTING POLICY	SECTION: 06 – FINANCE AND ADMINISTRATION
	VERSION: 1.0
	LAST REVISION DATE:
ADOPTED: OCTOBER 19, 2024	REVIEW FREQUENCY: EVERY 3 YEARS

#### PREAMBLE

The Richmond Christian School Association is designated by the Canada Revenue Agency (CRA) as a registered charity. Therefore, it must adhere to the Income Tax Act (ITA) when issuing charitable tax receipts. This policy provides guidelines for the issuance of donation tax receipts and applies to all members of the RCS community, including but not limited to staff members, parents, students, and community sponsors.

**Note:** This policy should be regularly reviewed and updated to ensure it reflects any changes in CRA policies or the Income Tax Act, as these can change over time.

REVIEW HISTORY		
DATE	VERSION	CHANGES

## 1. DONATION DEFINITION

- a. Donations to RCS are receipted according to the parameters set by the CRA ITA. To qualify for an official donation receipt, a donation must be defined as a gift given to RCS freely. Specifically, a gift is a voluntary transfer of property without contractual or other obligations to the recipient organization. Please refer to the CRA's 'What is a Gift' guidelines for further details.
- b. A gift is made if all three of the following conditions are satisfied:
  - i. Gift of property are transferred by a donor to a registered charitable organization (in this case, RCS).
  - ii. The transfer is voluntary.
  - iii. The transfer is made without expectation of return (i.e., no benefit of any kind may be provided to the donor or anyone designated by the donor, except where the benefit is of nominal value).

Please refer to the CRA's 'Receiving Gifts' guidelines for further details.

## 2. DONATION ELIGIBILITY FOR TAX RECEIPTS

- a. Examples of gifts that are **eligible** to receive a tax receipt include (but are not limited to):
  - i. **Monetary donations** through:
    - 1) Cash donations, cheques made payable to RCS, and payments via credit cards and debit cards
  - ii. **Gift certificates:**
    - 1) Only those purchased by the donor and then donated to the qualified donee (RCS) are considered property and can be issued a donation receipt.
  - iii. **Gift-in-kind:**
    - 1) refers to a gift of property (a non-cash gift) such as capital property (including depreciable property) and personal-use property (including listed personal property)
    - 2) A gift-in-kind does not include a gift of services
    - 3) If a receipt is being issued for a non-cash gift, it must reflect the fair market value (FMV) of the gift. Registered charities usually must deduct the FMV of any advantages from the FMV of gifts to determine if there is an eligible amount of a gift for receipting purposes (see CRA's guidelines on Split receipting for further details).

- 4) When the FMV at the time of donation, of either a non-cash gift or of an advantage cannot be determined, an official donation receipt cannot be issued.
  - iv. **Religious portion of tuition fees**, as reviewed and calculated annually by RCS. Tuition fees paid to RCS are not eligible for 100% tax receipting as a portion of the tuition fees are used for non-religious operational means. The portion of the tuition fees that are representative of religious services are eligible for tax receipting.
- b. Examples that do **NOT qualify** as gifts and are therefore not eligible for a donation receipt include (but are not limited to):
- i. Services rendered (e.g., volunteer time, labor)
  - ii. Gift certificates donated by the issuer of the gift certificate (e.g., instances of self-promotion)
  - iii. Non-cash gifts for which the fair market value (FMV) cannot be determined
  - iv. Gifts provided in exchange for advertising or sponsorship
  - v. Admission fees to RCS-sponsored events or programs
  - vi. Purchases of goods or services from RCS (e.g., gym attire, etc.)
  - vii. Court-ordered donations to RCS
  - viii. Loans of property
  - ix. Leases of RCS premises
  - x. Donations specified for a particular person or group by the donor
  - xi. Donations gathered as a collection where individual donors cannot be identified
  - xii. Sponsorship funding
  - xiii. Use of a timeshare

### 3. ISSUING DONATION RECEIPTS

- a. The information on an official charitable donation receipt must be clear and not easily altered.
- b. Donation receipts will be issued to the true donor, defined as the individual or organization that made the donation to RCS. For example, the true donor will be the registered name on where the funds were disbursed from, such as registered name of the credit card used for payment or bank account the funds were withdrawn from. The official donation receipt will be issued to the name of the true donor. If RCS cannot determine who the true donor is, RCS cannot issue an official donation receipt.

- c. Receipts for cash gifts must include the following information:
  - i. A statement that it is an official receipt for income tax purposes
  - ii. The name and address of RCS as on file with the Canada Revenue Agency (CRA)
  - iii. A unique serial number
  - iv. The registration number issued by the CRA
  - v. The location where the receipt was issued (city, town, municipality)
  - vi. The date or year the gift was received
  - vii. The date the receipt was issued
  - viii. The full name, including middle initial, and address of the donor
  - ix. The amount of the gift
  - x. The amount and description of any advantage received by the donor
  - xi. The eligible amount of the gift
  - xii. The signature of an individual authorized by the charity to acknowledge gifts (Director of Finance, Superintendent, or Chairperson of the Board of Directors)
  - xiii. The name and website address of the CRA
- d. Receipts for non-cash gifts (gifts in kind) must include the following additional information:
  - i. The date the gift was received
  - ii. A brief description of the gift
  - iii. The name and address of the appraiser
  - iv. The amount must reflect the fair market value of the gift (If the fair market value cannot be determined, an official donation receipt cannot be issued.)
- e. The **minimum amount** eligible for a charitable income tax receipt from RCS is market value of \$50.00 or more, unless otherwise specified.
- f. RCS is required to keep copies of receipts for two calendar years after the end of the calendar year to which the receipt applies.
- g. Additionally, RCS must maintain proper books and records supporting any official donation receipts issued and provide access to those records to the CRA upon request. Failing to do so may result in the CRA revoking RCS's status as a qualified charitable organization and suspending its receipting privileges.

#### 4. RECEIPT ISSUANCE TIMELINE

- a. Donation receipts will be issued by RCS to donors by February 28th of the calendar year following the year in which the donation was made. For example, if a donation was made during any period in 2024, a tax receipt will be issued to the donor by February 28, 2025, for the 2024 taxation year.

#### 5. CORRECTING AND/OR REPLACING LOST RECEIPTS

- a. RCS will issue a replacement receipt for any lost receipts or receipts containing incorrect information. The replacement receipt must include:
  - i. All the required information for a receipt
  - ii. The serial number of the original receipt
  - iii. A statement on the replacement receipt indicating it replaces the original receipt
- b. RCS will keep its copy of the original receipt and mark "**cancelled**" on it.
- c. If RCS has prepared a receipt containing incorrect information that has not yet been sent to the donor, RCS will prepare a new receipt but must keep both copies of the original receipt and mark "**cancelled**" on them.