



## CHARITABLE RECEIPT ISSUANCE POLICY

### **BACKGROUND**

The issuance of charitable receipts is strictly defined by the Canada Revenue Agency. A charitable receipt is a form of currency, convertible to cash by means of an income tax deduction.

BICF is committed to respecting the rules and policies of the CRA. These rules are extensive, detailed and complex. Reference is made to the CRA publication “Gifts and Income Tax – 2015” at:

<http://www.cra-arc.gc.ca/E/pub/tg/p113>.

This policy is to guide the Board in its determinations on the appropriateness of issuing tax receipts other than for financial donations. If the Board is unable to unanimously agree on whether to issue a tax receipt for anything other than a financial donation, an opinion should be obtained from a certified tax expert.

### **POLICY**

#### BE IT RESOLVED:

The BICF, as a registered charity in good standing, may issue tax receipts for eligible amounts of gifts of cash or property.

Gifts-in-kind are gifts of property and cover items including artwork, equipment, securities and cultural property. Property does not include the trading assets of a business, such as inventory.

Contributions of services, such as time, skills or efforts are not property and therefore do not qualify as gifts-in-kind for purposes of issuance of tax receipts.

The eligible amount of a gift is the amount by which the fair market value exceeds the amount of any advantage received.

(For clarity, “advantage” is the total value received by a donor in relation to making a gift. For example, a donation of \$1,000 is made to the local ballet company, which is a registered charity. The charity provides the donor three tickets to a show that are valued at a total of \$150. The donor is considered to have received an advantage of \$150. Therefore, the eligible amount of the gift for receipt purposes is \$850 {\$1,000 - \$150}).

*Approved by the Board: October 25, 2016*