

*Salt Spring Island Fire Protection District*

**POLICY MANUAL**

Section	Administration
Policy Number	
Policy Title	Charitable Donations Receipts

**POLICY OBJECTIVES**

The Salt Spring Island Fire Protection District, valuing contributions from our community, welcomes gifts of materials, equipment and funds to the District. This policy formalizes the charitable donations receipt policy and sets criteria under which official donation receipts will be issued.

The policy also outlines the standards for evaluation donations in accordance with Canada Revenue Agency guidelines.

The policy formalizes the charitable donations receipt program for the District to ensure that official receipts are issued in an appropriate and consistent standard and in accordance with Canada Revenue Agency guidelines.

**DEFINITIONS**

“*Administrator*” as established in the District’s “officer Positions Establishment Bylaw NO. 85”;

“*Board of Trustees*” means the Board of Trustees of the Salt Spring Island Fire Protection District;

“*Chair*” means the Chair of the Board of Trustees Salt Spring Island Fire Protection District;

“*Charitable Donations*” means voluntary transfers of tangible property, including cash;

“*District*” means the Salt Spring Island Fire Protection District;

*“Donations in-Kind”* means donations, other than cash, that are eligible donations;

*“Eligible Donations”* means charitable donations that can be acknowledged with official donation receipts for income tax purposes, in accordance with Canada Revenue Agency guidelines;

*“Fair Market Value”* means the highest dollar value that a property would bring in an open and unrestricted market, between the willing buyer and the willing seller who are acting independently of each other;

*“Fire Chief”* means the person appointed by the Salt Spring Island Fire Protection District, to be in charge of the Salt Spring Island Fire Rescue, its equipment and the firefighting personnel of the Salt Spring Island Fire Protection District, or their designate;

*“Net Amount of Donation”* means the fair market value of the charitable donation less any advantage or benefit received or to be received as a result of the charitable donation;

*“Non-qualifying Donation”* means a charitable donation that cannot be acknowledged with official donations receipts for income tax purposes , in accordance with Canada Revenue Agency guidelines; and

*“Official Donation Receipt”* means a receipt issued by the District to the donor for the net amount of a donation which may be used to claim a deduction for income tax purposes.

## **SCOPE**

The District will issue official receipts for donations that qualify as charitable donations. If requested by a donor, the District will issue an official donation receipts to donors for eligible donations with the net amount of the donation or net fair market value is \$25 or more.

This policy to all organizations and individuals that contribute either financially or in-kind to the District’s operations, programs, services or facilities.

## **STATEMENT OF POLICY**

Eligibility for an Official Donation Receipt

To be eligible for an official donation receipt the donation must be made and accepted by the District in accordance with current policy.

Written valuations of charitable donations in-kind, done within the last six (6) months shall be submitted with the requests for official receipt and is to meet the following requirements:

- for donations-in-kind valued at \$1,000 or less, a valuation from an online auction or shopping website; and
- for donations-in-kind valued over \$1,000 an external appraisal of the property by an independent and arm's length competent and qualified individual is required with the responsibility and costs associated to obtain the appraisal borne by the donor.

Under the Income Tax Act, the District is classified as a "qualified donee" for charitable donations, as such is afforded the same privileges as a charitable organization.

#### **Non-qualifying Donation**

Non-qualifying donations cannot be acknowledged with official donation receipts for income tax purposes. In accordance with Canada Revenue Agency guidelines the following examples would be considered non-qualifying donations:

- intangibles such as services, time, skills effort;
- donations that are given to the District intended as a flow through to a specified recipient who does not have Canada Revenue Agency charitable organization status;
- donation in-kind of business marketing products, supplies and merchandise; and
- sponsorship in the form of cash, good or services toward an event, project or program or corporate asset in return for commercial benefit – sponsorship is a reciprocal arrangement benefiting both parties and usually the cost to the sponsor is categorized as a business expense.

#### **RESPONSIBILITIES**

Official donation receipts are to be signed by Administrator, Fire Chief, or the Chair of the Board of Trustees.

#### **BOARD DISCRETION**

The provisions set out in this policy are subject to revision from time to time at the discretion of the Board of Trustees.

**RELATED DOCUMENTS**

**APPROVALS**

Approval date:		Approved by:	
1. Amendment date:		Approved by:	
2. Amendment date:		Approved by:	
3. Amendment date:		Approved by:	

DRAFT