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## **GIFTS, DONATIONS AND BEQUESTS**

### **Background**

The Division will acknowledge gifts, donations and bequests for the advancement of education within the Division by issuing receipts which may enable the donor to claim the donation as a tax deduction.

### **Procedures**

1. The Division reserves the right to decline any donation, if in the opinion of the Secretary-Treasurer, it is not in the best interest of the education system or is not of a charitable nature.
2. Upon acceptance, a donation will become the property of the school or department and therefore the Division; and may be designated for use at a particular site. Donations include funds, real property or personal property, which would include items such as furniture, audiovisual equipment and playground equipment.
3. When a donor places a specific condition on the use of an unsolicited donation, the school or department will endeavor to comply with the wishes of the donor, but reserves the right to final decision over the use of that donation.
4. Maintenance, repairs and upkeep of all donated items are the responsibility of the users, school or department.
5. Income Tax Deductible Donations
  - 5.1 All donations which are eligible for income tax deduction must be for the advancement of education within the Division, specifically:
    - 5.1.1 The establishment of student or staff scholarships, or other awards;
    - 5.1.2 The purchasing of capital equipment and furnishings; or
    - 5.1.3 Enhancement of co-and/or extra-curricular programs; or
    - 5.1.4 Professional development of staff.
  - 5.2 The following types of payments cannot be considered as donations eligible for income tax deduction:
    - 5.2.1 Any payments for which any right, privilege, benefit or advantage may accrue to the donor or to any person specified by the donor;
    - 5.2.2 Payments to be used to purchase the services of staff, tutors, or similar persons;
    - 5.2.3 Instructional material fees, rental of books, equipment or musical instruments, or lunch program fees;

- 5.2.4 Amounts which cannot be identified as having been made by a particular donor;
  - 5.2.5 Donations of services;
  - 5.2.6 Amounts paid for admission to performances, social functions, graduations, or similar activities;
  - 5.2.7 Amounts received where in return the donor will receive significant advertising exposure such as the right to issue promotional materials.
- 5.3 Receipts will be issued for:
- 5.3.1 All funds received at the Division Office; or
  - 5.3.2 Funds received at a school, and a request for receipt is forwarded to the Manager-Financial Services.
  - 5.3.3 Issuance of a receipt is subject to the following requirements:
    - 5.3.3.1 Donations comply with clause 5.2. If tax receipts are to be issued for an activity under Administrative Procedure 520 – School Fundraising, the Secretary-Treasurer must pre-approve the activity and purpose, to ensure compliance with clause 5.2.
    - 5.3.3.2 Requests for a receipt have sufficient documentation to issue a tax receipt to an individual or business.
    - 5.3.3.3 Requests for receipts comply with clause 5.4.
- 5.4 Receipts for income tax purposes will not be issued for:
- 5.4.1 Donations with a value of less than twenty dollars (\$20.00).
  - 5.4.2 Donations of livestock.
- 5.5 For the intent of this Administrative Procedure, donations in kind will have a fair market value established in a manner acceptable to the Secretary-Treasurer.
- 5.6 This Administrative Procedure will remain in effect only for that period of time that the Division continues to qualify for Canada Revenue Agency tax-exempt status as a charitable organization.
- 5.7 Any changes to these procedures are to be made only after review with Canada Revenue Agency.
- 5.8 All donations received are to be forwarded to the Secretary-Treasurer for consideration as a valid donation for the advancement of education. Any donation may be refused if, in the opinion of the Secretary-Treasurer, it is not in the best interest of the education system or is not of a charitable nature.
- 5.9 All proposed uses for the amount to be donated must be submitted to the Secretary-Treasurer for approval before any commitment is made to the donor(s).
- 5.10 All approved donations will be disbursed as directed by the donor for the activity approved for the advancement of education, as soon as possible. In the case of donations being received without specific instructions for their use, the Superintendent will decide upon the use of such funds.
- 5.11 Official receipts, in the format prescribed by Canada Revenue Agency, will be issued by the Manager– Financial Services.
- 5.11.1 The only authorized person to sign will be the Secretary-Treasurer.

- 5.11.2 A principal or department head may wish to acknowledge a particular donation in some appropriate manner.
- 5.11.3 This will not constitute an official receipt for tax purposes.
- 5.12 A donor may request a full refund of the donation if the donation is deemed ineligible for a tax receipt by the Division, when the request occurs within sixty (60) days of the notification of ineligibility.

## 6. Donations Establishing a Trust

- 6.1 Donations which establish a Trust with the Division, school or department will have the appropriate agreement signed (Form 526-01).
- 6.2 Agreements are signed with the Division only, requiring the signature of the Secretary Treasurer.
- 6.3 If the Trust is to be administered by the school, funds are to be held in a separate account, and are to be separately reported from school generated funds.

Reference: Section 33,52,53,68,188,197,222 Education Act  
Societies Act Income Tax Act

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