

## **Policy 3 – Donations**

### **1. Purpose**

- 1.1. The Stanton Territorial Hospital Foundation’s vision, “*Working Together for a Healthy North,*” is based on its relationship with donors. Without dedicated sponsors and donors, the Foundation could not achieve its mission of raising funds for patient care, equipment and major capital needs of the Stanton Territorial Hospital.

### **2. Definitions**

- 2.1. “*Benefit of Nominal Value*” is where the FMV of the benefit does not exceed the lesser of \$75.00 or 10% of the amount of the given gift amount.
- 2.2. “*Designated Gifts*” are received for specific purposes.
- 2.3. “*Gift*” means a voluntary transfer of money or property for which the donor expects and receives nothing of value in return.
- 2.4. A “*Gift-in-Kind*” includes such things as capital property (including depreciable property) and personal-use property (including listed personal property). This also includes a gift-of-services.
- 2.5. “*Fair Market Value*” or “*FMV*” is the highest price, expressed in a dollar amount that the property would bring, in an open and unrestricted market, between a willing buyer and a willing seller who are knowledgeable, informed, and prudent, and who are acting independently of each other. FMV is the value at the time the donation is received, the date on which the beneficial ownership is transferred from the donor to the donee. FMV must be determined at the time of donation.
- 2.6. “*Undesignated Gifts*” are gifts received that have not been designated for a specific purpose.

### **3. Types of Donations**

- 3.1. Cash

- 3.1.1. A tax receipt for a cash donation over twenty-five (\$25.00) dollars will be issued, unless the donor indicates that they do not require one.
- 3.1.2. Tax receipts will not be provided where a donor has received a benefit in excess of a nominal value. Nominal value must not exceed the lesser of seventy-five (\$75.00) dollars or ten (10%) percent of the gift amount.
- 3.1.3. A cash donor will receive all the benefits of the Donor Recognition Plan.

### 3.2. In-Kind Donation

- 3.2.1. A gift in-kind includes capital property and personal-use property but not a gift of services.
- 3.2.2. A gift in-kind that has had a FMV appraised at the time of donation and qualifies for a tax receipt will receive all of the benefits of the Donor Recognition Plan.
- 3.2.3. All gifts in-kind or offers of donated services that lack FMV information will be referred to the Donor Recognition Committee for an assessment, if deemed necessary by the Executive Director.
- 3.2.4. The FMV of gifts in-kind must be obtained from a qualified, independent assessor before a receipt is issued for tax purposes, if deemed necessary.
- 3.2.5. Where the expected value is in excess of five thousand (\$5,000.0) dollars at least two (2) appraisals will be sought, with exceptions determined by the Donor Recognition Committee.
- 3.2.6. If more than one value can be attributed as the FMV, the lowest value will be applied as stipulated by the Canada Revenue Agency (“CRA”).
- 3.2.7. Gifts-in-kind that cannot be passed on to the Stanton Territorial Hospital in the form received or if conversion is restricted by the donor, those gifts will be converted to cash at the earliest opportunity.

### 3.3. Service In-Kind Donations

- 3.3.1. Tax receipts can be issued for service in-kind donations but only if the Foundation pays for the service at the time received and the monies are paid are donated back to the Foundation in full.

3.3.2. Service in-kind donations (not converted to cash) are not recognized and will not be given a tax receipt.

3.3.3. A tax receipt will not be issued to a service provide in exchange for an invoice marked “paid”.

#### 3.4. Pledges

3.4.1. Pledges will receive the benefits of the Donor Recognition Plan once the last installment is received.

3.4.2. Pledges will receive a tax donation receipt as received.

#### 3.5. Memorials

3.5.1. A memorial gift will be recognized as a gift to the Foundation in the name of the memorial person.

3.5.2. Tax receipts will be issued to individual donors over twenty-five (\$25) dollars, unless the donor indicates that they do not require one.

3.5.3. A donor list will be sent to the family without donation amounts.

3.5.4. If the total amount of a memorial is fifty thousand (\$50,000) dollars and over, an invitation to have a memorial plaque placed on the Donor Wall will be extended.

#### 3.6. Event Sponsorships

3.6.1. Tax receipts can be issued for event sponsorship if they meet the CRA standard of “no noticeable benefit from advertising” to the donor.

3.6.2. Where the benefit provided to event participants is more than eighty (80%) percent of the value of the event sponsorship, no tax receipt will be issued.

3.6.3. The cost of the advantages must be considered when calculating the benefit of an event. Advantages include, but are not limited to, recognition at the event (e.g. banners or advertising of products), the meal at a fundraising dinner, green fees and cart rental at a golf tournament, comparable ticket price for a fundraising concert, door prizes, raffle tickets, complimentary gifts, and achievement prizes.

3.6.4. Sponsors will receive recognition for event sponsorship through the specific sponsorship guidelines established for said event.

3.6.5. Sponsorship of an event is recognized as a donation for donor recognition and will be receive all benefits of the Donor Recognition Plan (i.e. the donor wall) as determined in the policy.

### 3.7. Other

3.7.1. Donated gifts that do not fall within this Donor Recognition Directive or the Foundation's mandate will be evaluated on a case-by-case basis.

## 4. Issuing Tax Receipts

4.1. All tax receipts will show the name and address of the donor.

4.2. Receipts for income tax purposes will be issued for gifts in accordance with CRA in a timely manner and in any event, no later than February 28<sup>th</sup> of the year after the year in which the gift was received.

4.3. Tax receipts will only be issued to donors who request a receipt be issued.

4.4. Tax receipts will not be provided, regardless of donation type, where a donor has received a benefit in excess of a nominal value.

4.5. No tax receipts will be issued for the purchase of an auction item.

4.6. All tax receipts for cash must have the following information on the tax receipt:

4.6.1. a statement that it is an official receipt for income tax purposes;

4.6.2. the name and address of the charity as on file with the CRA;

4.6.3. a unique serial number;

4.6.4. the registration number issued by the CRA;

4.6.5. the location where the receipt was issued (city, town, municipality);

4.6.6. the date or year the gift was received;

4.6.7. the date the receipt was issued;

4.6.8. the full name, including middle initial, and address of the donor;

4.6.9. the amount of the gift;

4.6.10. the amount and description of any advantage received by the donor;

4.6.11. the signature of an individual authorized by the Foundation to acknowledge gifts;

4.6.12. the eligible amount of the gift; and

4.6.13. the name and website address of the CRA.

4.7. All tax receipts for gifts in-kind and services in-kind must have the following information on the tax receipt:

- 4.7.1. a statement that it is an official receipt for income tax purposes;
- 4.7.2. the name and address of the charity as on file with the CRA;
- 4.7.3. a unique serial number;
- 4.7.4. the registration number issued by the CRA;
- 4.7.5. the location where the receipt was issued (city, town, municipality);
- 4.7.6. the date or year the gift was received;
- 4.7.7. the date the receipt was issued;
- 4.7.8. the full name, including middle initial, and address of the donor;
- 4.7.9. the amount of the gift;
- 4.7.10. the amount and description of any advantage received by the donor;
- 4.7.11. the signature of an individual authorized by the Foundation to acknowledge gifts;
- 4.7.12. the eligible amount of the gift;
- 4.7.13. the name and website address of the CRA;
- 4.7.14. the date the gift was received (if not already included);
- 4.7.15. a brief description of the gift received by the charity; and
- 4.7.16. the name and address of the appraiser (if the gift was appraised).

4.8. Tax receipts for donated services will comply with CRA requirements for donations of services.

## **5. Maintenance and Review**

5.1. This Code was last reviewed by the Board on April 15, 2019.

5.2. This Code will be reviewed every twenty four (24) months by the Board.