

HopeSpring's Charitable Tax Receipting Guidelines

HopeSpring follows the rules of the Canadian Income Tax Act and the Canada Revenue Agency (CRA) regarding the issuing of charitable receipts. The following is a general guideline as to when HopeSpring can and cannot issue tax receipts.

CRA provides information regarding receipting on its website, www.cra.gc.ca/charities, or can be reached at 1-800-267-2384.

To issue a receipt to a donor, we require completed address information along with donation details (amount of donation, method of payment, etc.). Cheques must be made out to HopeSpring or HopeSpring Cancer Support Centre. We recommend that when donations come from multiple donors, such as during a pledge-type fundraiser, the funds are given to HopeSpring directly rather than being deposited and one payment delivered. This helps us in our receipting process and saves event organizers a lot of time.

Formal Charitable Tax Receipts *can* be issued for:

- Monetary donations greater than \$10.
- The fair market value of a tangible gift in-kind before taxes*
- The amount of an event ticket purchase price above the amount of benefit received where the difference is greater than \$10
 - For example, purchasing tickets to a dinner for \$40 where the value of the dinner is \$25. The purchaser can be receipted for \$15.
- The amount paid for an auction item in excess of its fair market value where the difference is greater than \$10
 - For example, an item is purchased for \$50, and the item's fair market value is \$30. The purchaser can be receipted for \$20.
- Donations from foundations that are not registered charities

Formal Charitable Tax Receipts *cannot* be issued for:

- Any donation when an advantage or benefit is received by the donor (i.e. event or print sponsorships, event tickets, wigs, Spiritual Warrior books)
- Gift certificates from the donating company - if a third party purchases a gift certificate and donates it to an event, the purchaser can be receipted
- In-kind gifts donated as raffle prizes
- Funds raised by a group collected into one donation where the amounts donated by the original donors have not been kept track of - i.e. a "pass the hat" collection
- Donations from foundations that are registered charities
- Receipts cannot be issued to anyone other than the original donor

In cases where formal tax receipts cannot be issued, a thank-you letter for donations over \$10 will be sent to the donor. In most situations, this letter can count as a "receipt" to acknowledge the transfer of funds or donation of services for bookkeeping purposes, but cannot be claimed as a charitable donation.

* Notes Regarding In-Kind Gifts

- In **all** cases, documentation is required to prove the value of the item. In most cases a copy of the purchase receipt is sufficient. If a purchase receipt is unavailable, a date-stamped print-out of a website page listing the value of the item, or a photocopy of event tickets or gift certificates showing the item value is acceptable. In any other case, the donor must produce a signed document stating the value of the item (see below for gifts of art, collectables, or antiques).
- In-kind receipts cannot be issued for the donation of services. However, if HopeSpring pays for these services, and then the company chooses later to donate that amount back to HopeSpring, a receipt can be issued for that amount.
- For gifts of artwork, collectables, antiques, or anything without a fixed retail value, a qualified, knowledgeable neutral third party should appraise it, and a copy of the appraisal documentation sent to HopeSpring. If the item's value is clearly less than \$1,000, HopeSpring staff can place an estimated value on the item.
- If an artist donates one of their own works, they may place a value on the item not less than the cost amount and not more than the fair market value.
- If an event organizer or a ticketed venue donates tickets: if there is an assigned date to the ticket, it can be receipted. A ticket with **NO** assigned date cannot be receipted.
- Items of little value, such as hobby crafts or home baking, do not qualify as a gift in-kind.
- For further detail, please see <http://www.cra-arc.gc.ca/E/pub/tp/it297r2/it297r2-e.html>

Other Notes

- HopeSpring cannot issue invoices for sponsorship amounts for bookkeeping purposes. If such documentation is required, a copy of the original donation request letter or a similar letter describing the event or fundraiser with available sponsorship levels listed can be sent upon request.
- Regarding self-pledging: If the self-pledge donor receives no benefit, they can be receipted. If they do, then they can only be receipted for any donation above & beyond the benefit they receive. E.G. Yoga for Hope participants who sponsor themselves to get the free entry fee can only be receipted for the amount above the cost of the entry fee.

Further inquiries regarding HopeSpring's issuing of charitable tax receipts can be directed to:

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