

Official Donation Receipts for Income Tax Purposes
Information for Parent Advisory Councils

School District No. 57 (Prince George) follows the following guidelines with respect to issuing Official Donation Receipts for Income Tax Purposes.

- The school district will only issue official donation receipts for funds that the school district will be responsible for spending.
- Donations should be made by cheque, payable to School District No. 57 (Prince George).
- Donations should be forwarded to the Finance Department.
- Donations should be accompanied by a brief statement explaining the reason for the donation and how the funds are to be disbursed.
- Official donation receipts will only be issued for donations of \$25.00 or more.
- Official donation receipts will NOT be issued for services including volunteer labour.

In order for an Official Donation Receipt to be issued it must be established that a **gift has been received**. A gift is a voluntary transfer of property without valuable consideration. Generally a gift is made if all three of the conditions listed below are satisfied:

(a) some property — usually cash — is transferred by a donor to a registered charity;

(b) the transfer is voluntary; and

(c) the transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value. Canada Revenue Agency considers a benefit to be of nominal value where its fair market value does not exceed the lesser of

(a) \$50.00, or

(b) 10% of the amount of the gift.

Nominal value needs to be considered when **advertising** is offered in return for the donation. Many businesses support school and Parent Advisory Council activities as a form of advertisement, and generally in these cases official receipts will not be issued.

The concept of a gift must also be considered when parents offer a donation to a specific activity involving their child. Official receipts **cannot** be issued **when the child directly benefits from the donation** by way of playing on a school team or participating in a school trip, and the related travel and accommodation costs of that team or trip.

The school district will issue an Official Donation Receipt for specific PAC projects. These projects must be discussed with the school principal and the school district's Director of Finance before confirming that Official Donation Receipts will be available.

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Example

A Parent Advisory Council is fundraising for a new playground or an addition to an existing playground. Policy 7223 provides guidance on the construction of playgrounds and the installation of playground equipment on school grounds. Therefore the school district will be responsible for spending these funds. An Official Donation Receipt may be issued.

- The donation should be made by cheque, payable to School District No. 57 (Prince George)
- The donation should be forwarded to the Finance Department
- The donation will be designated for the specific approved project – in this example, the playground.

All gifts for which an Official Donation Receipt is issued will be held by the school district in trust. They will be accounted for by the Reporting and Compliance Clerk in the school district's general ledger in the account known as the "School Clearing Account" which is kept for each school.

Once an Official Donation Receipt is issued, the school district is unable to return the donated funds.

All gifts must be accompanied by a "Donation Form".

Donation Form

I enclose my donation in the amount of \$_____ to be applied toward

(Description of item(s) to be purchased)

On behalf of _____ Parent Advisory Council.
(School Name)

Name of Donor: _____

Address: _____

City/Town: _____ Province: _____

Postal Code: _____ Telephone #: _____

Signed: _____ Date: _____

NOTE - All cheques or money orders must be made payable to: School District No. 57 (Prince George). Official Receipts for Income Tax Purposes will only be issued for PAC projects approved by the PAC, the school Principal, and the school district Director of Finance.