

TAX RECEIPTING GUIDE

BC Children's Hospital Foundation adheres to Regulation 3500 of the Income Tax Act, Canada Revenue Agency.

BC Children's Charitable Business Number is 11885 2433 RR0001

It is very important that event planners understand the rules about tax receipting before planning your event. Tax receipting can be complicated and requires some planning but that's why we're here to help! Please confirm your tax receipting plan and procedures with your BC Children's Hospital Foundation Representative before relaying it to your event participants and donors.

It is the event planner's responsibility to communicate guidelines around tax receipting to participants.

Please read through the below information and if you have any questions please ask your BCCHF Representative

Please note that official tax receipts for the year of your event can only be issued if all donations and information is received by December 31 of that year.

Official receipts will be issued by the foundation office upon receipt of:

- > The full donation amount
- > Full name and address of the donor/organization
- > Complete supporting documentation

Note: The total value of issued receipts cannot exceed the net proceeds of the event. This includes gift in-kind receipts.

Tax receipts will only be issued after the event has taken place and only after the donation amount is received by BC Children's Hospital Foundation. To provide donations for your donors please use this manual donation form or another way to record the names, addresses and telephone numbers for the individuals/ and or businesses that require a tax receipt. Please submit this form along with the donations to BC Children's Hospital

Foundation, where they will be processed and a tax receipt will be mailed directly to the individuals or businesses listed on the form. Official tax-deductible receipts will be issued for the following:

TAX RECEIPTING FOR INDIVIDUAL DONORS

BC Children's Hospital Foundation will issue an official tax-deductible receipt for the following:

- > Monetary donations from an individual in the form of a cheque, cash, or credit card donation for \$20 or over.
- > The donation portion of the ticket price for a fundraising event. Canada Revenue Agency allows receipts to be issued for the donation portion of a ticket price according to the split receipting method.
 - Event organizers must determine the fair market value (FMV) of the advantage portion of the ticket price and have it approved by the Foundation prior to the event.
 - In order to issue a receipt, the FMV of the advantage cannot be more than 80% of the gift itself, otherwise known as the intention to make a gift threshold.

Example: A ticket to a gala costs \$100. The FMV of the advantage (the food and beverage received by the donor) is \$40. The donor will receive a tax receipt for \$60 because the advantage portion is less than 80% of the total. If the FMV of the advantage was over \$80, there would be no receipt issued.

- > Auction bids over 125 percent of an item's stated market value will result in a tax receipt for the full difference between the successful bid price and the stated fair market value.

Example: TV is valued at \$100 donor paid \$500 at the auction. $100 \times 125\% = \$125$. The donor would be issued a tax receipt of \$375 ($\$500 - \125).

- > Tax receipts will only be issued if no goods or services were received in return for that donation. Example of goods or services received: purchase of draw tickets, event admission tickets, registration fees, etc.

Receipts will not be issued to individuals for:

- > Donated items for which the market value cannot be determined
- > Purchase of merchandise
- > Purchase of auction items
- > Purchase of lottery tickets
- > Donation of old clothes, used furniture, etc

TAX RECEIPTING FOR BUSINESS

BC Children's Hospital Foundation will issue a tax receipt for the following:

- > Monetary donations from an organization when no value is received by that organization in way of marketing exposure, tickets, or sponsorship
- > In-kind donations less than \$1,000 are subject to appraisal by a qualified foundation staff if no invoice is available and must be approved by the Foundation prior to the event
- > In-kind donations greater than \$1,000 are subject to appraisal by a qualified third-party appraiser if no invoice is available and must be approved by the Foundation prior to the event
- > Donations of inventory as long as an appropriate invoice is provided

Acknowledgement receipts can be used to write off contributions from organizations as a legitimate business expense to reduce taxable profits at the end of the year.

Acknowledgement receipts will be issued for the following:

- > Amounts received by coin or loose collections for which it is impossible to identify the amounts contributed by a particular donor
- > Funds provided as sponsorship support for a fundraising event, upon request

Receipts will not be issued to organizations for:

- > Donation of services including: personal, professional or legal services. Example: printing, event planning, photography, website design etc. are not eligible for a tax receipt
- > Donation of items with an advertising component
- > Donated items for which the market value cannot be determined
- > Purchase of merchandise
- > Purchase of auction items

ADDITIONAL RESOURCES

Media Outreach Tips for ICEs

Media Advisory Template