

TAX RECEIPT GUIDELINES

Albert College is grateful to each donor and we are pleased to recognize and receipt every donation to the full extent permitted by Canada Revenue Agency (CRA). As a registered charity, we are bound by both the letter and spirit of the charitable tax law and will not knowingly do anything that might put our registered status at risk.

Donors of items to be sold at the Auction may be entitled to official donation receipts if the gifts comply with CRA'S regulations and if a fair market value can be established under CRA regulations; the onus of determining fair market value rests solely on the charity issuing the donation receipt. CRA will not accept an evaluation made by the donor.

A donor who purchases an item to donate to the Auction at wholesale or retail cost must supply a detailed bill of sale, invoice, statement, cash register tape, or equivalent with evidence that he/she has paid for the item. A packing slip will not suffice. A donation receipt can be issued if the claim is supported by such documentation but only for the pre-tax amount.

Gifts of art, antique furniture, jewellery, 'classic' automobiles, memorabilia, fine wines and the like (where a fair market value assessment is not readily available) must be appraised by an independent third party who is generally recognized as having expertise in the particular field in question, and who is acceptable to both the donor and Albert College. Appraisals for insurance purposes are not acceptable to CRA. Depending on the value of the piece(s), Albert College may require two or more third party appraisals. As well, Albert College will require an additional form to be completed and signed by the donor confirming whether or not the item was acquired within the past three years. If the item was acquired within the past three years, the tax donation amount cannot exceed the lesser of the cost to the donor and the fair market value established by the appraiser.

Hospitality gifts, such as dinners or cocktail parties at the people's homes and similar items, are considered by CRA to have no comparable market value and therefore a receipt can only be issued for the actual cost of the dinner components where supported by appropriate invoices, cash register tapes or the equivalents.

Gifts of time at vacation properties, on boats, and the like are considered by CRA to be a gift of service as the title to the property has not changed. To receive a donation receipt for this type of gift, Albert College must be invoiced and pay for the service at its market value. The donor can then voluntarily return the same amount as a cash donation and receive a tax receipt as an "exchange of cheques." The value should be agreed to be fair and reasonable by both the donor and Albert College.

Gifts of services, such as tutoring, accounting and hairdressing are not eligible for a receipt per se. If agreeable to both parties, Albert College can be invoiced and pay for the services for a value agreed upon to be fair and reasonable by both the donor and Albert College. The donor can voluntarily return the same amount as a cash donation and receive a tax receipt as an "exchange of cheques".

Priceless gifts do not qualify for donation receipts. Examples might include Convocation seating, a student masterpiece or lunch with a VIP. By their very nature, such gifts do not have a fair market value.

Where a company gives a gift from its inventory it is generally more tax advantageous for the cost to be written off as a promotional expense. Tax receipts can be issued for the retail value of the gift that was donated but the company must include this amount in its business income.

The points above deal with several common instances, and are not meant to cover every eventuality. If your situation is less than straightforward, please call the Finance Office at 613-968-5726 or e-mail finance@albertcollege.ca to discuss it. If we are concerned with your request for a tax donation receipt, a representative of Albert College will contact you.