

# Tax Receipting Guidelines

The Bowmanville Hospital Foundation is proud to be a fundraiser in Canada and is committed to following rules and regulations set out by the Canada Revenue Agency (CRA) with regards to the issue of official charitable receipts. Adhering to these rules and regulations is important in protecting our registered charitable status.

It is, therefore, important that you understand the rules about tax receipting **BEFORE** planning your event/initiative. The requirements for receipting are specific and can be complex but we are here to help. We ask that you speak with your Bowmanville Hospital Foundation Representative about tax receipting in relation to your event/initiative prior to discussing with your supporters.

It is your responsibility to communicate the guidelines surrounding tax receipting to those participating in your event/initiative, so please be sure you have discussed all details pertaining to the event with your Bowmanville Hospital Foundation Representative. This ensures everyone is clear on what you can and cannot offer.

Note: official charitable receipts dated for the year of your event can only be issued if all money and information is received by December 31st of that year.

## Tax Receipting for Personal Donations

Personal donations are eligible for tax receipts when the following criteria are met:

- If money or a “pledge” is given to the Foundation, in the form of a cheque or cash/credit card donation.
- The donation must be \$20.00 or greater.
- No goods or services were received in return for that donation. I.e. The purchase of draw tickets, event admission tickets, registration fees, live and silent auction items are **NOT** eligible for official charitable tax receipts.

In general, if there is a “benefit” for the donation, i.e. the donor receives something in return for their donation, a tax receipt is not generally issued.

The tax receipt will be issued to the person/company who made the donation (unless the cheque issuer acts a donation collector and issues a complete list of donor details and amounts given).

## Tax Receipting for Business

A Gift Confirmation, or “Business Receipt” acknowledges a corporate monetary donation, in-kind products and sponsorship from businesses and can be used to “write-off” the contribution as a legitimate business expense to reduce taxable profits at year end.

Gifts in kind (GIK) are donations of goods (including merchandise) to the Foundation. Businesses can deduct the original cost of the inventory as a business expense and not lose the tax benefit associated with the transfer of property. The Foundation will issue a GIK letter that can be used to verify the write off of the inventory. When a GIK donation is secured for your event, this transaction must be documented. Please contact your Bowmanville Hospital Foundation Representative to confirm prior to receiving the GIK.

Further tax receipting information can be found at the [Canada Revenue Agency website](#).