

Tax Receipting Information

Hospitals of Regina Foundation is committed to following the rules and regulations regarding tax receipting as set out by the Canada Revenue Agency (CRA). This is important to protect our charitable status.

It is important to review the rules about tax receipts before you plan your event. It is your responsibility to communicate decisions surrounding tax receipting to the participants of the event, so be sure you understand your event in detail and that you are clear about what you can and cannot offer.

Hospitals of Regina Foundation can provide tax receipts only if:

1. You have submitted an Event Proposal Form and have been given approval by the Foundation to proceed with a third party event.
2. The donation information, including a complete list of donors' names and addresses, and all donations, are received within 60 days of your event.
3. The rules and regulations additionally outlined for your specific type of event are followed and must be in accordance with the rules and regulations of CRA and Hospitals of Regina Foundation.

Tax Receipting Information – Individual Contributions

Individuals are eligible for a tax receipt when the following criteria are met:

- Receipts can only be issued to the person who actually makes the gift
- If money is given directly to the Foundation in the form of a cheque, credit card payment or cash, we can issue a tax receipt to the person who gave the donation.
- Donations of \$20 or greater will automatically receive a tax receipt. For donations under \$20, the donor must request a tax receipt.
- The full name and address (including postal code) of the donor and the amount given must be submitted.

If a person is collecting donations, a list of all the donors, their addresses and the amounts donated must be specified for receipting purposes. A person collecting donations cannot receive a receipt for the whole amount they've collected, as they are not the true donor. If there is no information provided, tax receipts cannot be issued.

Other ways in which individuals may give and may be eligible for a tax receipt are:

Purchase of a ticket or entrance fee to an event (gala, show, or auction)

Once a person receives a benefit in return for their payment, the amount paid is not considered a gift in the eyes of CRA, therefore an official tax receipt is not issued. However, an individual may receive a partial receipt for the amount paid as part of the CRA's **split receipting** rules.

Split Receipting

Split receipting would be used if the ticket or entrance fee price exceeds the fair market value* of the event. The fair market value would include:

- Any products or services provided to the participant
- Entertainment
- Food and drinks
- Any other added benefits

Example: If an individual buys a gala ticket for \$200 and the fair market value of the show, attendee gift, food and drinks is \$125, then a tax receipt can be issued for \$75 ($\$200 - \$125 = \75).

Gift in kind donations

If an individual chooses to donate an item rather than cash, the fair market value* must be established.

This can be done by:

- Getting a purchase invoice or other proof of purchase
- Having an independent third party appraise and value the item (required for items valued over \$1,000)
- Obtaining a current price list for the item at a recognized commercial enterprise/business operating independently of the donor

A tax receipt cannot be issued for:

- Personal or professional services including legal, entertainment, transportation, or dining services.
- Gift cards, unless the donor purchases the card and provides the receipt

Individuals cannot receive an official tax receipt for the following:

- Auction purchases (live and/or silent)
- Raffle or draw ticket purchases

***Fair Market Value** - as per the Canada Revenue Agency (CRA) website – “is usually the highest dollar value you can get for your property in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and acting independently of each other”.

Tax Receipting Information – Business Contributions

Businesses and corporations can give in the following ways:

Donations and pledges

If the contributor is a business and it receives no pre-arranged benefits (e.g. advertising in a brochure, logo recognition at an event, tickets, etc.) a tax receipt will be issued. The Foundation can provide tax receipts for donations over \$20.

Sponsorships

If the contributor is a business and does receive pre-arranged benefits, the contribution is considered sponsorship and is not eligible for a tax receipt. However, sponsorship contributions may be deductible as a business promotional expense. The Foundation can issue a business receipt, upon request, that may be used for tax purposes.

Gift in kind donations

If the contributor is a business and it donates an item for use in a raffle, silent or live auction, a receipt can only be issued for the fair market value* of the item. Please see definition of fair market value above. In order to receive a tax receipt, there must be an exchange of physical property from the business to the Foundation.

A tax receipt cannot be issued for:

- Personal or professional services including legal, entertainment, transportation, or dining services.
- Gift cards

This is because an exchange of property has not taken place; instead a promise has been made to provide a service or product at a later date.

If you have other questions regarding tax receipts, please contact us at 306-781-7500.