

Tax Receipting policy of Kamloops United Church

Generally: For a charitable tax receipt to be issued by KUC, there must be a transfer of property (cash or goods) voluntarily from the donor to the Church, without obligation for something in return.

Any discrepancy between this policy and a CRA ruling, CRA's position will stand.

A. Tax receipts will be issued for:

1. Donations from a donor to the Church by way of cash, cheque or PAR
2. Goods-in-kind donations, when the Church agrees to accept the goods offered, for fair market value. Documentation of fair market value is required to be on file at KUC. *(some G-I-K exceptions apply)*
3. Donations of services provided to KUC, only where the services rendered have been invoiced by the donor, paid for a pre- approved purchase by the Church for fair market value, and the net cash is donated back to the Church. *(see procedure below)*
4. Cash donations arising from a business or personally initiated activity (ie: fundraising on behalf of the church by individual(s)), and the net proceeds of such activity are donated to the Church. Income raised would be considered taxable income to the fundraiser, and therefore would permit a tax receipt. If KUC is aware that a donation is arising or arose out of such an activity the donor should be reminded that the net income from the activity is taxable to the donor.
5. A fundraising activity of the Church (eg. a dinner, performance, or like activity) where an admission charge is significantly greater than the per capita cost of the event. Significantly greater is understood to mean the cost of the event is 80% or less than the total amount paid. Documentation must be provided to substantiate that there is a significant donated portion of the admission charge over its fair market value, a partial portion of the charge may be authorized as a cash donation receiptable to each participant. The appropriate details must be included on the tax receipt.
6. A donation of qualified marketable securities.

The preferred procedure for "goods-in-kind" and "service" donations is for the Church to purchase the goods or services from such persons or entities for fair market value through creation of an invoice and the established approval process of paying that invoice by KUC. The provider/donor would then make a donation back to KUC for an amount equal to the invoice by the one of the following: (a) crossing of cheques, or (b) endorsing the KUC payment cheque, or (c) a cash donation. The creation of the invoice for the good or service should ensure that the provider reports the transaction as taxable income, and will then, by the tax receipt, receive the appropriate tax credit for the donation on their tax filing. This procedure is often referred to as a "cheque exchange".

B. Tax receipts cannot be issued for:

1. Used clothing and household furniture and goods intended for resale
2. Contributions of volunteer services to the Church
3. Contribution of inventoried goods from a commercial enterprise, without invoicing of goods *(as noted in the preferred procedure above.)*
4. Church sponsored (committee or otherwise) fundraising by donation admission at or near fair market value charges
5. Church sales of any asset, program, concert, course, book, or similar event or good for fair market value to the recipient
6. Fundraising by an auction, for goods purchased by participants
7. Raffle or gaming tickets
8. Use of personal assets in Church fundraisers or Church activities (eg. summer camp, home, trailer, etc.)
9. Cash donated or paid to KUC for advertising
10. Donation of services (excepted as provided above.)

Adopted January 23, 2013