



# Giving Policy

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Approved by: Elizabeth Chiazzese

## INTENT

As a Canadian registered charity, Trout Unlimited Canada (TUC) is pleased to be authorized by the Canada Revenue Agency (CRA) to issue official Canadian tax receipts to its financial and in-kind supporters. Tax receipts issued comply fully with all applicable Canadian tax laws and regulations. TUC has an obligation to maximize the benefit realized from all donations including items. This document outlines the tax receipting and item donation rules the TUC is governed by. These rules are subject to change periodically, but in the case of any discrepancies, CRA rules as interpreted by TUC shall govern.

## APPLICATION

This document applies to all donations given to Trout Unlimited Canada.

Trout Unlimited Canada will always issue a receipt or letter acknowledging a donation. The details of this document outline the conditions under which TUC accepts specific types of donations and those that are not accepted and to the issuance of official charitable tax receipts under the Income Tax Act of Canada and the administrative practices of the CRA.

Official tax receipts are only of value to donors who wish to report the value of the donation on their Canadian income tax return and claim a tax credit against their income tax liability in the case of individual and trust donors and claim a tax deduction in the case of corporate donors. In some cases, for example businesses, an official receipt is not of any value as the value of the donation may be an allowable deduction from the donor's income as an amount expended to earn income. An official tax receipt is also of no value in cases where a non-resident donor has no Canadian income, and the donation is not recognized by the taxing jurisdiction of the non-resident.



## DEFINITIONS

fair market value: the highest price, expressed in dollars, which a property would bring in an open and unrestricted market, between a willing buyer and a willing seller, both of whom are knowledgeable, informed, and prudent, and who are acting independently of each other.

property: In the context it is used by the CRA when considering gifts to a charity, "property" usually means things. Property includes real estate (legally called real property) but also includes tangible possessions legally called personal property (cars, boats, art, appliances, sporting equipment etc).

issuer: means the person or business which will be required to provide the goods or services covered by a certificate.

## GUIDELINES

### 1. Tax Receipting

TUC will issue official donation tax receipts for the full amount of donations of cash or \$20.00 or more.

Trout Unlimited Canada will issue tax receipts periodically during the fiscal year for cash donations or yearly in the case of recurring gifts.

Tax receipts for donations to TUC may only be issued by the national office. Individual Trout Unlimited Canada chapters across Canada are not recognized by TUC as separate Canadian registered charities and therefore are not able to issue donation receipts in the name of the organization. Donations directed to specific chapters of TUC will be forwarded to the chapter in good standing minus a nominal administrative fee within 30 days of receipt.

A tax receipt may only be issued to the donor. If the donor is an individual or trust, the receipt will be issued in the name of that individual at his/her home address or in the name of the trust at its address, which must be provided. If a corporation has made the donation, and if a tax receipt is requested, the receipt will be issued in the company name at their corporate address. An individual, trust or corporation cannot receive a donation receipt for money or property that was not donated by him/her/them/it. Donations through an individual third party will not be receipted.



For gifts to be eligible for a tax receipt in a particular year, TUC must have received the gift by the last calendar day of December of that year, or the letter containing the donation must be postmarked prior to December 31<sup>st</sup>. Charitable receipts will be issued no later than February 28<sup>th</sup> of the calendar year that follows the year of the donation.

Trout Unlimited Canada will not issue a tax receipt for any portion of the purchase price of an item purchased at a fundraising auction. Exceptions may apply at certain events and those exceptions will be outlined in the program for the event. For purchases at those events, where the value of an item can be determined and is made known to all bidders in advance and where the amount paid for the item exceeds the posted value by at least 25%, Trout Unlimited Canada can issue an official donation receipt for the amount more than the posted value.

TUC will not issue tax receipts when the donor receives a large advantage associated with the donation. Specifically, if the value of the advantage is more than 80% of the value of the gift, then no receipt will be issued for the gift. TUC does not practice "split receipting". Donations associated with small advantages (advantages that are both \$75 or less in value and less than 10% of the value of the gift) will receive a full tax receipt.

## **2. Donations of Funds (cash, securities, insurance policies)**

Trout Unlimited Canada can accept all the following types of gifts. Because of the potentially complex nature of the transactions, the process should be discussed in advance with an authorized TUC representative:

- gifts of appreciated publicly-listed securities;
- non-cash gifts from an individual's estate;
- donations of land;
- donations of conservation easements
- donations of life insurance policies

## **3. Donations of Services**

TUC accepts the donation of services that support restoration efforts and/or can



be used as a fundraising asset. CRA rules do not allow tax receipts to be issued for donations of services, including donations of time, skills, or effort. In most cases where services are donated to TUC by a business, the business should be able to claim the costs of providing those services as a deduction from income as a promotional expense. Subject to strict rules, the CRA does allow TUC to issue a tax receipt when the services are paid for by TUC and the provider then independently chooses to donate that amount back to us as a cash donation. This is referred to as a cheque swap.

#### 4. Donations of Physical Items

TUC accepts the donation of property as physical items where the item is deemed an acceptable asset with some exceptions. TUC no longer accepts framed or unframed prints. Aside from jewelry, vehicles, artwork, and books, used items are also not accepted as donations. Book collections of 10 or more items must be accompanied by a list of titles, authors, and values.

In most cases, Trout Unlimited Canada is allowed to issue a tax receipt for the full fair market value of donated property provided the property is an acceptable asset to Trout Unlimited Canada

The policy of the CRA is that if the fair market value of a gift of property is \$1,000 or less, a qualified staff member of TUC, or another qualified individual, can appraise the gift. If the fair market value is more than \$1,000, the item must be accompanied by an appraisal completed by a competent professional, qualified to evaluate the property being donated. In accordance with industry standards, the appraisal must be dated within 2 years of the donation date.

Exceptions:

- If the fair market value of donated property cannot be determined, TUC is not allowed to issue a tax receipt;
- Donations of property which has been owned by a donor for less than three years: If a donor is donating property it has owned for less than three years, or within 10 years if one of the main reasons to acquire the property was to donate that property, or has acquired the property under a gifting arrangement that is a tax shelter, TUC is only permitted to issue a tax receipt for the *lesser* of fair market value or the donor's acquisition cost for



the property. The properties that are excluded from this exception are:

- inventory property;
  - real property located in Canada;
  - certified cultural property;
  - ecologically sensitive land;
  - property of a corporation, if the property was acquired
- Donations of property where the donor receives or a person related to the donor receives, obtains, or is entitled to something or a benefit in return.

## 5. Donation of Gift Certificates

TUC accepts the donation of gift certificates.

If a gift certificate for property or for services is donated to TUC as asset for fundraising, TUC is permitted to issue a tax receipt to the donor for the fair market value of the gift certificate when:

- (ii) the donor is not the issuer of the gift certificate;
- (iii) the donor has paid for the gift certificate;
- (iv) the terms of the gift certificate allow its ownership to be transferred;
- (v) the fair market value of the gift certificate can be determined.

If the issuer of a gift certificate for property (not services) donates it directly to TUC for use by the organization, a tax receipt can be issued to the donor for its fair market value, but only when the certificate is redeemed by TUC for some kind of property.

## 6. Gifts from Registered Charities

Trout Unlimited Canada will not issue an official tax receipt for gifts received from another registered charity. Registered charities do not pay income tax and therefore do not require a donation receipt.

## 7. Donations to Chapters

TUC will endeavor to direct donated funds to specific chapters at the request of the donor. Tax receipts for cash donations directed to chapters will be issued when the following conditions are met;

1. The donation meets the general tax receipting rules outlined above
2. The donation is received directly from the donor to one of TUC's corporate offices or through the website



3. Cash donations made directly to the chapter are accompanied by a signed letter from the donor including their contact details

With few exceptions, funds will be forwarded to the chapter, in good standing, within 30 days of receipt.

TUC will not accept the donation of property (items) on behalf of a chapter, however, such a donation can be made directly to a chapter. Property with a value of over \$500 will be tax receipted by TUC when the following conditions are met;

1. The donation meets the general donation rules outlined above
2. TUC staff are notified of the donation within 30 days of receipt of the item
3. Donor contact details, appraisal, item photo and communication with the donor is provided to TUC staff within 30 days of receipt of the item

## 8. Notes

TUC reserves the right to decline any donation (cash or in-kind) for any reason.

## FORMS AND TEMPLATES

None

## ADDITIONAL RESOURCES

None