

RM OF REYNOLDS POLICY

Title: Taxable Donation Procedure

Policy No. 27

PURPOSE:

Sub-paragraph 149.1 (1) of *The Income Tax Act* (Canada) provides that a Canadian municipality is a 'certified Donee'. This means that a municipality can accept a gift for which an income tax receipt can be issued. This policy is designed to provide consistency with regard to the acceptance and processing of charitable donations and ensure that they meet CRA standards.

POLICY:

- Donations must be a minimum of \$25.00 in order to receive a tax-deductible receipt from the Municipality.
- Donations can be subject to a general direction, that is, for use in a particular program or project. However, decisions regarding the use of the donations are the exclusive responsibility of the municipality.
- The program or project must operate under the authority of the municipality (e.g. a committee established by municipal by-law or funded by the municipality), be of interest to a substantial portion of the municipality's population and serve all residents of the municipality.
- Organizations that wish to have donations directed through the Municipality must provide Council with a letter of request signed by a representative of the board of the organization. This letter must include a detailed outline of the project, complete with projected start and end date and who will benefit from it. It would also be helpful to provide a copy of minutes from the board relating to the project.
- The municipality is not in a position to guarantee that receipts issued by the municipality are deductible for income tax purposes. This will be determined by the Canada Revenue Agency