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CHARITABLE DONATION RECEIPTS FOR INCOME TAX PURPOSES POLICY

1. Scope

The policy applies to all departments of the Town of Oxbow, to all agreements between the Town, organizations and individuals that contribute either financially or in-kind to the municipal operations, programs, services, or facilities.

2. Purpose

The policy establishes a charitable donation receipts procedure, including accounting for donations of cash or in-kind made to the Town of Oxbow or for flow through to the Town's community partners.

The policy outlines the standards for evaluating donations in accordance with the Canada Revenue Agency (CRA) guidelines.

3. Definitions

"CAO" means the Chief Administrative Officer for the Town of Oxbow;

"Charitable Donations" means voluntary transfers for tangible property, including cash;

"Council" means to the Council of the Town of Oxbow;

"In-Kind Donations" means tangible property, other than cash, that are eligible donations;

"Fair Market Value (or Valuation)" means the highest dollar value that a property would bring in an open unrestricted market, between the willing buyer and the willing seller who are acting independently of each other. The fair market value of a property does not include taxes paid;

"Gifts In-Kind Donation" means items/property, other than cash, that are eligible donations;

"Non-Qualifying Donations" means donations that cannot be acknowledged with official charitable receipts for income tax purposes, in accordance with CRA guidelines.

“Town” means the Town of Oxbow.

4. Legislation

Under the Income Tax Act, 1985, the Town of Oxbow is classified as a “qualified done” for charitable donations, and as such is afforded the same privileges as a charitable organization without a registered charity number and is permitted to issue official charitable receipt for income tax purposes.

5. Eligible Donations

5.1 Eligible Donations

To be eligible for an official charitable receipt for income tax purposes, the donation must:

- a) be made payable to the Town of Oxbow; and
- b) be in cash or in-kind; and
- c) be voluntary; and
- d) be beneficial to the Town of Oxbow and/or surrounding community.

5.2 In-Kind Donations Compliance

In-Kind Donations may be accepted only after the following has been assessed:

- e) compliance with the Town bylaw/policies (if applicable); and
- f) consistency with the Town’s strategic priorities and plans; and
- g) associated risks (financial, health and safety, etc.); and
- h) condition and value of the donation; and
- i) usefulness to the Town; and
- j) cost/benefit analysis (if applicable), of maintenance, renewal, replacement, and relevant costs.

5.3 Valuations of In-Kind Donations

Written valuation of In-Kind Donations, done within the last 12 months, shall be submitted with the request for an official charitable receipt for income tax purposes is subject to the following:

- a) \$1,000 or less:
 - i. appraisal by knowledgeable internal staff; and/or
 - ii. valuation from online auction or shopping websites.
- b) Over \$1,000
 - i. appraisal by an external independent competent individual; and
 - ii. the responsibility and the costs associated with obtaining a qualified appraisal shall be determined by the CAO or designate.

4.4 In-Kind Donation Acceptance Approval

The council must accept and approve all In-Kind Donations prior to the issuance of an official charitable receipt for income tax purposes.

5.5 Gifts-In-Kind and Other Non-Monetary Donations

The Town may issue an official charitable receipt for income tax purposes for Gifts-In-Kind and Other Non-Monetary Donations for a community project or initiative under the following conditions:

- a) the donation has been made to the Town of Oxbow; and
- b) the council deems the project or initiative to be in the interest of the Town and/or surrounding community; and
- c) the council establishes how ongoing direction and control over the use of the donation will occur.

5.6 Non-Qualifying Donations

The Town will not issue an official charitable receipt for income tax purposes when:

- a) the Town acts as a conduit by collecting donations from donors and then flows the donation through to an organization without maintaining direction or control of the gift;
- b) the organization is already legally or otherwise entitled to the funds or property;
- c) the donation is for intangibles such as services, time, skills and effort;
- d) donations of business marketing products such as merchandise and supplies;
- e) sponsorship in the form of cash, goods or services towards an event, program, project or municipal asset, in return for commercial benefit.
- f) an advantage accrues to the donor or other person closely connected to the donor as a result of the donation.

5.7 Donor Direction

A donor can direct that a donation be used in a project or initiative however it is understood that the Town has full discretion in deciding how to allocate all donations and is able to re-allocate all donations to other projects or initiatives when deemed appropriate.

5.8 Grants and Contributions

While all donations are made to the Town and the Town establishes how ongoing direction and control over the use of the donation will occur the Town may, by resolution of Council, grant or contribute donated funds to an organization deemed to be beneficial to the Town of Oxbow and/or surrounding community.

5.9 Non- Compliance

Failure to comply with this policy and relevant legislation may result in financial penalties, suspension of the Town’s receipting privileges or revoking of the Town’s qualified donee status by the CRA.

SEAL

MAYOR

ADMINISTRATOR