



## Tax Receipting Guide

## General Statement

**An official tax receipt may be provided when a donor gives a voluntary gift of cash and expects to see nothing in return.**

In some cases, this is a simple rule to apply; in other cases, it is more complicated. This guide describes what is, and what is not, eligible for a tax receipt and outlines the steps you must take in order to have the Federated Health Charities office issue the tax receipt. The following kinds of donations are listed:

- Payroll donations
- Donations made by cash, cheque or credit card
- Donations of product by a company
- Donations of gift certificates
- Donations of product by an individual
- Donations of art work
- Donations of services (i.e. legal, accounting, personal training)
- Special events involving sponsorships (such as walkathons)
- Tax receipts for out-of-pocket expenses

**If you have any doubt as to whether Federated Health Charities will issue a tax receipt, please contact us directly. Call Tatyana Parfenyuk at 647-278-9861 or email [tatyana.parfenyuk@ontario.ca](mailto:tatyana.parfenyuk@ontario.ca)**

## Tax Receipting by Type of Donation

### Payroll Donations

The donation is given voluntarily and without any benefit being received by the donor and so is tax receiptable. The tax credit is noted on box 46 of the employee's T4.

### Donations Given by Cash, Cheque or Credit Card

Again, the donation is given voluntarily and without any benefit being received by the donor. The Federated Health Charities office will only issue tax receipts for donations of **\$25** or more.

- Donors must fill out a donation form.
- The tax receipt can only be issued in the name of the donor making the donation and must be issued to his/her home address. It is non-transferable to any other individual.

### Gifts-In-Kind

Tax receipts will be issued for items donated by individuals or companies in accordance with Canada Revenue Agency guidelines. There are three main categories:

- donation of product by a company,
- donation of gift certificates,
- donation of items by an individual.

Please see the different categories below to identify the process you should follow.

### Donation of Product by a Company

A company that donates an item from its stock is eligible for a tax receipt. Please consult the section on “Gift Certificates” to ensure that the gift does not fall into this category.

To produce a tax or general receipt, please obtain a letter or invoice on company letterhead which includes the following:

- Full name and address
- Detailed list of items donated and their inventory value (without HST)
- A statement which says these items are donated

This letter or invoice should be signed by someone from the company.

Complete the gift-in-kind tax receipt request form and attach.

Please see later in the guide for sample gift-in-kind tax receipt request forms and documentation.

### Donation of Gift Certificates

Gift certificates include a coupon that promises “dinner for two” at a restaurant or “membership” in a gym.

A **company** that donates a gift certificate cannot receive a tax receipt for that donation, however they can write off these donations as business expenses. The Federated Health office will issue a general receipt in this situation. To issue the general receipt, the Federated Health Office will need **a photocopy of the gift certificate**, plus a memo on your ministry/agency letterhead from a member of your campaign executive stating that the gift certificate was a donation.

An **individual** who purchases a gift certificate and then donates it to the campaign can receive a tax receipt for the value of the gift certificate. Complete the gift-in-kind tax receipt request form and attach the cash register receipt printed when the gift certificate was purchased, along with a photocopy of the gift certificate.

### Donation of Items by an Individual

An individual who donates an item (usually to a silent auction) can receive a tax receipt once the fair market value of the item has been determined. *Please note that this does not apply to works of art, which are discussed under a separate heading.*

Fill out the Gift-in-Kind Tax Receipt Request form (see page 17). If the individual is donating a number of small items – to fill a gift basket for example – the tax receipt requested should be for the total amount of items in the basket (less taxes). Note that documentation is required.

- If the donor has purchased the products the cash register receipts which accompanied the purchases is adequate proof of the fair market value. Please note that the tax

receipt will not include the amount paid in HST. Attach the cash register receipts to the form.

- If the donor donates a product which was not purchased by him/her, the fair market value of the item must be established by a member of the campaign team.

### Donations of Artwork

Tax receipts will be issued for works of art auctioned at a Federated Health event provided fair market value has been established.

Establishing the fair market value of a work of art requires an appraisal of the piece by a qualified appraiser. It must be submitted in writing on the appraiser's letterhead and contain a description of the work in question. If the value of the work of art exceeds \$1,000, three independent appraisals must be obtained.

Please note that the tax receipt will not be issued for the amount that the work of art sold for at your auction. The fair market value will be determined independently of this consideration.

For more information on the process for qualifying for a tax receipt for art work, please contact Tatyana Parfenyuk at the Federated Health office (**647-278-9861**) or [tatyana.parfenyuk@ontario.ca](mailto:tatyana.parfenyuk@ontario.ca).

### Donations of Services

A service is defined as "time, skill or effort". Individuals who donate services to the campaign cannot receive tax receipts for them. However, that same individual may receive a general receipt, which can be used to write off the donation as a business expense. To issue the general receipt, the Federated Health Office will need a memo on your ministry/agency letterhead from a member of your campaign executive describing the service that was donated and giving the service provider's name and home address.

### Tax Receipts for Walkathons, etc.

Individuals who sponsor others for special events such as walkathons for amounts of **\$25** or more are eligible for a tax receipt. Please ensure that the sign-up sheets provide enough space for sponsors to clearly print their name and complete home address.

### Out-of-Pocket Expenses

As a rule, out-of-pocket expenses should be reimbursed from money generated through special events. Where this is not possible and where the expenses exceed \$100, Federated Health Charities will issue a tax receipt by means of a cheque exchange. This is in accordance with a recent Canada Revenue Agency policy commentary which states that a charity cannot simply issue an official donation receipt to a volunteer for the amount of the volunteer's expenses but must reimburse the volunteer who may then return that payment as a gift. In practical terms, this means an exchange of cheques—Federated Health issues a cheque to the volunteer covering the costs incurred, and the volunteer then writes a cheque to the charity

for an equivalent amount. Please contact Tatyana Parfenyuk at the Federated Health office for more information ([tatyana.parfenyuk@ontario.ca](mailto:tatyana.parfenyuk@ontario.ca) or **647-278-9861**).

**Gift-in-Kind Tax Receipt Request Form**

(To be completed by Campaign Chair or Treasurer for tax receipts requested by individuals or companies donating items to a Federated Health event.)

Ministry/Agency:		
Campaign Chair/Treasurer (name):		Phone Number:
Donation Date:		
Donor Name:		
Donor Address:		
Description of Donated Item:		
<b>Market Value (minimum \$35)</b>	<b>\$</b>	(tax receipt amount requested)

Please note that the tax receipt amount cannot include HST or PST.

Signature of Donor requesting tax receipt: \_\_\_\_\_ Date: \_\_\_\_\_

Method of validating Fair Market Value (**documentation must be attached**):

- |   |  |
|---|--|
| <input type="checkbox"/> Written Appraisal (Name and address of Appraiser required)               | <input type="checkbox"/> Current bid on same or similar item on eBay |
| <input type="checkbox"/> Posted on gift (i.e. tickets)  | <input type="checkbox"/> Chair/Treasurer Appraisal (see below)       |
| <input type="checkbox"/> Sales receipt  |  |
| <input type="checkbox"/> Advertised price of same or comparable item in catalogue/newspaper/flyer |  |

Campaign Chair/Treasurer appraisal (for items less than \$500):  
*My signature below confirms that I have reviewed the above listed item and believe I am familiar enough with this type of item to reasonably estimate its fair market value. In my opinion, I estimate the fair market value on the date donated to be \$\_\_\_\_\_.*

\_\_\_\_\_  
*Signature*

Conditions of request:  
I am an employee of the Government of Ontario and a volunteer for our ministry/agency's Federated Health Charities campaign. In this capacity I have received the above donation from the individual/business listed above. I confirm that all necessary steps have been taken to ensure the value is accurate, the donated item was used in raising funds for Federated Health and that the ministry/agency campaign has raised enough special event funds to cover this tax receipt.

I therefore request that Federated Health Charities issue a Gift-in-Kind tax receipt for this donation.

Signature	Volunteer Position	Date
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## Sample Gift-In-Kind Tax Receipt Requests

*Gift-in-Kind Tax Receipt Request Form* (To be completed by Campaign Chair or Treasurer for tax receipts requested by individuals donating property to a Federated Health Charities event.)

Page 1 of 2

Ministry/Agency:  
Campaign Chair/Treasurer  
(name):  
Donation Date:

Ministry of Revenue 416 314 1483  
Sandra Falzone  
June 21 2010

Phone Number:

Donor Name:

Damiani Jewellers

Donor Address:

15 Jewlan Dr. Woodbridge L4L8C2

Description of Donated Item:  
(one item per form)

Jewelry

Market Value (minimum \$35)

\$ 540.00

(tax receipt amount requested)

Method of validating Fair Market Value (documentation must be attached):

- ☐ Written Appraisal (Name and address of Appraiser required) ☐ Current bid on same or similar item on eBay  
☐ Posted on gift (i.e. tickets) ☐ Chair/Treasurer Appraisal (see below)  
☒ Sales receipt ☐ Advertised price of same or comparable item in catalogue/newspaper/flyer

Campaign Chair/Treasurer appraisal (for items less than \$500):

My signature below confirms that I have reviewed the above listed item and believe I am familiar enough with this type of item to reasonably estimate its fair market value. In my opinion, I estimate the fair market value on the date donated to be \$240.00

Signature



Conditions of request:

I am an employee of the Government of Ontario and a volunteer for our ministry/agency's Federated Health Charities campaign. In this capacity I have received the above donation from the individual/business listed above. I confirm that all necessary steps have been taken to ensure the value is accurate, the donated item was used in raising funds for Federated Health and that the ministry/agency campaign has raised enough un-receipted special event dollars to cover this tax receipt.

I therefore request that Federated Health Charities issue a Gift-in-Kind tax receipt for this donation.

Signature

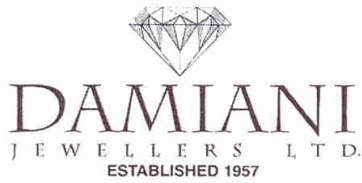


Volunteer Position

Cochair

Date

Aug 20 2010



Division of Frank Damiani Jewellers Limited  
 15 Jevlan Drive, Woodbridge, Ontario L4L 8C2  
 (905) 850 - 4653 Fax (905) 850 - 8580  
 www.damianijewellers.com  
 GST \*101872067RT

## Sales Receipt

**Customer:**  
 FEDERATED HEALTH  
 C/O MINISTRY OF REVENUE

**Telephone:** 416-314-1483

<b>Sales Receipt #</b>		<b>Date</b>		<b>Salesperson</b>																	
240436		06/21/10		Anna																	
<b>Customer No.</b>																					
141157																					
<b>Quantity</b>	<b>Tax</b>	<b>Item Number</b>	<b>Style Code</b>	<b>Unit Price</b>	<b>Extended Price</b>																
1.0	Y	50884	601633W04	240.00	240.00																
		PENDANT 10KT-2.8GRM DIATW=.91CT		<100.00 % >	-240.00																
		ONE 10KT LADIES DIAMOND PENDANT DIAMONDS = .91 CT TOTAL																			
		WEIGHT OF THE PENDANT IS .2.8GRMS.																			
		FUNDRAISER FOR JUNE 25/10																			
7 Days full refund or 30 days exchange with receipt. Any merchandise returned or exchanged must be unused and accompanied by original bill of sale. No exchange or refund on custom orders, engraved or altered items. All descriptions are approximate unless otherwise stated. If any error and omission occur due to this store's negligence, any compensation will be limited to the items replacement or a refund of the purchase price. WATCH REPAIR GUARANTEE: ALL WATCH REPAIRS (COMPLETE TECHNICAL REVISIONS) ARE GUARANTEED FOR A PERIOD OF 1 YEAR FROM THE DATE OF SERVICE. Guarantee does not cover the stem, crown, wear to the case, bracelet, strap, glass, battery or damage from abuse. The watch is not guaranteed against water damage unless the watch is of a water resistant design and the watch was water-proof tested during its servicing.			<table border="1"> <tr> <td><b>Subtotal</b></td> <td></td> <td>0.00</td> </tr> <tr> <td><b>Sales Tax</b></td> <td>GST</td> <td>0.00</td> </tr> <tr> <td></td> <td>PST</td> <td>0.00</td> </tr> <tr> <td><b>Total Amount</b></td> <td></td> <td>0.00</td> </tr> </table> <table border="1"> <tr> <td><b>Total Paid</b></td> <td>0.00</td> </tr> <tr> <td><b>Balance</b></td> <td>0.00</td> </tr> </table>			<b>Subtotal</b>		0.00	<b>Sales Tax</b>	GST	0.00		PST	0.00	<b>Total Amount</b>		0.00	<b>Total Paid</b>	0.00	<b>Balance</b>	0.00
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<b>Total Paid</b>	0.00																				
<b>Balance</b>	0.00																				





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30 Vienna Schnitzel

W/ potatoes and vegetables

- 30 X \$10.95 = \$328.50

6 order of Pierogies

- 6 X \$9.95 = \$59.70

Total = \$388.20

DONATED

**GRAND TOTAL ►**

ELS-1 ART PRINTING CO. - TORONTO

**GUEST RECEIPT**

G.S.T. # . . . . .

DATE \_\_\_\_\_ G.S.T. PAID \_\_\_\_\_ TOTAL \_\_\_\_\_ Tax Included