

## Guide: Tax Receipting

Federated Health Charities (FHC) is a registered charity with Canada Revenue Agency (CRA), so **tax receipts may be issued to donors who donate voluntarily and provide goods or financial donations without receiving anything in return.** Agencies/Ministries/OPP should never issue a tax receipt.

### What is a tax receipt?

A tax receipt is a legal document that confirms a donation was made to a qualifying organization. A tax receipt allows individuals to claim a non-refundable tax credit that will reduce the amount of taxes owed for their annual federal income tax return.

### Monetary Donations

#### Employee Payroll Donations

Employees who donate to Federated Health through WIN or their payroll provider are eligible for a tax receipt because that money is given without receiving anything in return. In this case, the tax credit is noted on box 46 of the employee's T4, which serves as the tax receipt. No additional receipt is provided.

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

When a donation is given voluntarily and without any advantage being received by the donor, cash, credit card or cheque donations of more than \$25 are eligible for a tax receipt.

Tax receipts will be issued as donations are received by FHC. They can only be issued in the name of the donor making the donation and must be issued to their home address. They are not transferable to any other individual.

### Gifts-In-Kind (Donations of goods or services)

#### Donation of Product by a Company

A company that donates an item from its stock is eligible for a gift-in-kind tax receipt.

**To obtain a tax receipt, please submit:**

- Request for [Gift-in-Kind Tax Receipt form](#)
- Copy of a letter/invoice on company letterhead which includes the name, address, itemized list with value and a note to indicate that they were donated.

### **Donation of Gift Certificates by a Company**

A gift certificate is a prepaid card or voucher that can be exchanged for goods or services from a particular business or group of businesses. This includes coupons that promise “dinner for two” at a restaurant or “membership” in a gym.

Businesses who donate a gift certificate are **not eligible for a tax receipt**; however, the business may choose to write off the expense. To do this, they will require a general receipt be issued by FHC.

#### **To obtain a general receipt, submit:**

- [Request for General Receipt Form](#)
- Photocopy of the gift certificate

### **Donation of Gift Certificates by an Individual**

Individuals who donate a gift certificate **are eligible for a gift-in-kind tax receipt**.

#### **To obtain a gift-in-kind tax receipt, submit:**

- [Gift-in-kind Tax Receipt Form](#)
- Copy of the itemized cash register receipt for the gift card.

### **Donation of Items by an Individual**

An individual who donates an item may receive a gift-in-kind tax receipt.

If the individual is donating more than one item, the tax receipt requested should be for the total amount of items (less taxes).

#### **To obtain a gift-in-kind tax receipt, submit:**

- Request for [Gift-in-Kind Tax Receipt Form](#)
- Proof of Fair Market Value (cash register receipt or alternative form provided per [How to Verify Fair Market Value tip sheet](#)).



## **Donations of Services by an Individual**

A service is defined as “time, skill or effort”. Individuals who donate services to the campaign are **not eligible for a gift-in-kind tax receipt**; however, they may receive a general receipt, which can be used to write off the donation as a business expense where this is appropriate for their circumstances.

### **To obtain a general receipt, submit:**

- [Request for General Receipt Form](#)
- Include a description of the service that was donated, the provider’s name and home address.

## **Tax Receipts for Walkathons and Sponsored Events**

Individuals who sponsor others more than \$25 for participating in special events such as walkathons **are eligible for a tax receipt**.

### **To ensure tax receipts are issued, please submit:**

- [Request for Tax Receipt Form](#)
- Sponsor’s name(s), complete address(es) and amount(s) donated.