

Special Event Fundraising Tax Receipt Guidelines

Thank you for thinking of The Winnipeg Foundation (the Foundation) as the beneficiary of your special event fundraiser and contributions to an endowment fund at the Foundation. As a registered charity, the Foundation has the ability to provide tax receipts to those who make a gift to your cause. We are obligated to adhere to Canada Revenue Agency (CRA) regulations regarding issuance of all tax receipts (<http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/rcpts/menu-eng.html>). Failure to comply could result in the revoking of our charitable status. The Foundation has developed guidelines to assist event organizers understand how we determine 'value' and distribution of tax receipts.

The Foundation can provide tax receipts under the following conditions:

- Gifts of money; this includes cash, cheque, credit card or money order.
- Accurate donor information has been received along with the gift – this includes a donor's full name, mailing address and postal code.

Tax receipts cannot be provided if:

- Individuals purchase raffle tickets, admission tickets, fees and merchandise. Receipts can only be issued to a donor when the donor does not receive a product or benefit (advantage) in return for their gift.
- One person collects the gifts on behalf of a group, then writes one cheque for the full amount, the writer of the cheque will not receive a tax receipt. If individuals that contributed wish to receive a tax receipt their full name, address and postal code must be provided.
- Donors are not eligible to receive a tax receipt in any circumstance where they may purchase an item or product and the retailer states a percentage is being donated.
- It is a gift of service.

Event Tax Receipts

To simplify our process we work with the event organizers to efficiently execute tax receipts to benefit donors. Determining the value of a tax receipt can have a certain level of complexity, and this becomes more complicated when we start to involve 'split receipting'. When determining a tax receipt value for an event, the value of donated products/services *has no bearing* on the calculation.

The most important factors to CRA are:

- How much a donor paid.
- The fair market value (FMV) of what a donor receives regardless of who is "covering" costs (e.g., sponsorship, donations, etc.)

Receipt Option 1 – Proceeds Donated (the Foundation Preferred Option)

Organizers will collect event funds and Foundation gifts on two separate payments. Once the event is complete, only gifts eligible for receipt and donor information will be given to the Foundation. Organizer keeps funds needed to cover costs of an event, (when possible) this should equal the advantage donors are receiving. We will assist in this process to make it clear and easy.

Receipt Option 2 – All Funds Donated

When all money received at an event is to be gifted to the Foundation. We work with organizers on how to execute this option. Due to the complicated nature of split receipting this option will need to be coordinated with a Donor Services staff member prior to your event.

Frequently Asked Questions:

What is an advantage?

An advantage is a benefit a donor receives for their gift. These could include a meal, a golf round, a gift bag, etc.

What is Fair Market Value (FMV)?

FMV is the value of the advantage the donor is receiving. The FMV can be determined by the listed price of the advantage or the value of a comparable product/event. The value of the comparable event is subject to approval by the Foundation.

Important:

- If the FMV cannot be determined, a tax receipt will not be issued.
- If the advantage is valued at more than 80% of the gift, a tax receipt will not be issued.
- The attendance of celebrities at fundraising events is not viewed as an advantage, per se. Any incremental amount paid for the right to participate in an activity (i.e., dinner, golf) with a particular individual is not viewed as a gift.

What is split receipting?

Split receipting is taking a gift and subtracting the FMV of an advantage received by a donor. The donor only receives a receipt for a portion of what the charitable organization receives.

<i>Example 1</i>	<i>Example 2</i>
Golf Tournament Fee: \$125 Event Includes: Golf game, dinner Participants: 100 Cost: \$35 Dinner, \$50 Green Fees Tax Receipt: \$40 $\$125 - (\$35 + \$50) = \40	Golf Tournament Fee: \$125 Event Includes: Golf game, dinner, chance to win prize Participants: 100 Cost: \$35 Dinner, \$50 Green Fees, \$1000 Draw Prize Tax Receipt: \$30 $\$125 - (\$35 + \$50 + (\$1000/100*)) = \$30$ *The FMV of the draw prize is divided between all participants of the golf tournament.

What is de minimis?

When certain advantages are of nominal value or are too minimal to affect the value of the gift they qualify for de minimis. If the FMV of an advantage received is less than 10% of the gift made, the advantage/s do not need to be subtracted from the gift.

Example:

When a donor makes a gift of \$100 to an organization they receive a \$6 mug and a \$2 pen.

- FMV of gift:	\$100
- De minimis threshold: (lesser of \$75 or 10% of value of gift)	\$10
- Combined value of advantages: (if this amount is less than 10% of the donation it is considered de minimis)	\$8
- Tax Receipt:	\$100

What does the Foundation need to issue a tax receipt?

For the Foundation to issue a tax receipt we require the full name, address (including postal code) of the donor for all gifts. The Foundation will provide a template for donors, or event organizers to fill out.

Can auction item donations receive receipts?

Auction donations can receive a tax receipt when a 'cheque swap' is complete. This means an organizer purchases the item from a donor, and the donor makes a gift of that purchase amount. The donor will then receive a tax receipt for their gift. Auction winners will not be issued a receipt.

Important:

- Gifts of service are ineligible.