

# CORPORATE POLICY



Policy Title:		Adopted By:	Policy Number:	
<b>Official Donation Receipt Policy</b>			<b>1101</b>	
Origin/Department/Authority:	Jurisdiction:	Approval Date:	Page(s):	
<b>Corporate Services</b>	<b>City of Humboldt</b>	<b>April 26, 2021</b>	<b>1 of 2</b>	
Reviewed By:	Related Documents/Legislation:	Revision/Effective Date:		

## 1.0 Purpose:

The intent of this policy is to provide a clear and concise understanding of what criteria must be followed to receive a Official Donation Receipt from the City of Humboldt.

- 1.1 This policy applies to all external organizations, individuals and City Departments requesting that the City of Humboldt provides a tax-deductible donation receipt for a project that could be a Benefit to the Community.
- 1.2 It is the responsibility of all City Departments, external organizations, and individuals to comply with the guidelines and requirements noted within this policy.

## 2.0 Definitions:

- 2.1 **“City”** refers to the City of Humboldt.
- 2.2 **“Council”** refers to City Council for the City of Humboldt.
- 2.3 **“Benefit to the Community”** is project or activity to assist with the capital development of a civic facility that will be owned by the City; an improvement to a civic facility that is owned by the City; or an activity that complements the operations of the City, and is deemed by Council to as a benefit to the City.
- 2.4 **“Gifts”** is defined by the Income Tax Act as some property – usually cash – transferred by a donor to a registered charity, the transfer is voluntary, the transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor.
- 2.5 **“Gifts-in-kind”** is a donation of a gift of property other than cash; a brief description of the donation must be provided along with an independent appraisal of the fair value of the “gift “provided in order to determine what the fair market value of that gift will be.
- 2.6 **“Official Donation Receipt”** refers to an Official Donation Receipt for Income Tax Purposes.

## 3.0 Policy:

- 3.1 Every project or activity proposed to benefit from gifts that could be eligible for Official Donation Receipts must first be approved by Council as meeting the criteria as a Benefit to the Community.
- 3.2 Official Donation Receipts will only be issued on gifts, or gifts-in-kind, for projects deemed eligible by Council.

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- 3.3** The Income Tax Act notes that gifts must involve property. Contributions of services are not considered property and will not be eligible to receive an official donation receipt unless the gifts-in-kind guidelines are met. The donor would be required to invoice the City while providing an independent appraisal to determine fair market value. If the contribution of service is deemed fair market value, the City then must agree to pay the invoice for the service and the donor must be willing to return all, or a portion of, the payment as a gift.
- 3.4** The City may authorize individuals or organizations to receive and track the receipt of gifts on the City's behalf provided that administration for the City is satisfied that the individual or organization is able to properly keep records of those gifts and provide that information as stipulated by the City's procedures.