



OUR LADY OF PERPETUAL HELP (OLPH) PARISH

Guidelines for Tax Receipting

Overview

Donation receipts will be issued in accordance with Canada Revenue Agency (CRA) regulations. For inquiries relating to the:

- OLPH Parish, please contact parish.olph@rcav.org.
- OLPH School, please contact office@olphbc.ca.

For the most current requirements and detailed explanations, it is recommended to consult the CRA Charities and Giving section directly: CRA Charities and Giving¹.

1. Minimum Eligible Value for a Donation Receipt

The minimum eligible value for a donation receipt will be determined for each fundraising event. If no specific value is set, the default minimum is \$100.

2. Cash Donations

OLPH Parish will issue an official donation receipt² for the full value of cash gifts, provided the donation is not accompanied by restrictions. Any restrictions must be approved by the Archbishop.

3. Gift Certificates

Donation receipts for gift certificates will be issued when:

- The donor is not the issuer of the gift certificate.
- The donor has purchased the gift certificate from the issuer and can provide a receipt of purchase.

4. Gifts-in-Kind (Property Other than Cash)

Gifts-in-kind must be new, in their original packaging, or have sales tags attached. Donation receipts can be issued for the fair market value of the gift, as determined by a purchase receipt. If a purchase receipt is unavailable, an appraisal by a qualified third party may be accepted, with the donor responsible for the appraisal cost.

Why is it important to understand the fair market value?

If a receipt is being issued for a non-cash gift, it must reflect the fair market value of the gift. The fair market value of any advantages must be deducted from the fair market value of gifts to determine if there is an eligible amount of a gift for receipting purposes (see split receipting). When the fair market value at the time of donation, of either a non-cash gift or of an advantage cannot be determined, an official donation receipt cannot be issued.

¹ [Charities and giving - Canada.ca](https://www.cra.ca/charities-and-giving)

² [Issuing complete and accurate donation receipts - Canada.ca](https://www.cra.ca/issuing-complete-and-accurate-donation-receipts)

What is deemed fair market value³?

The deemed fair market value rule states that a receipt issued for a non-cash gift must be issued for the lesser of the gift's fair market value and its cost to the donor (or in the case of capital property, its adjusted cost base) immediately before the gift is made.

Split receipting

Split receipting is the method used to calculate the eligible amount of a gift for receipting purposes when the donor has received an advantage (consideration) in return for his or her donation.

To figure out the eligible amount of the gift, OLPH Parish has to subtract the fair market value of the advantage from the FMV of the gift.

Criteria for split receipting

- Where a donor receives an advantage in exchange for a gift, OLPH Parish must be able to come up with an accurate figure for the fair market value of that advantage.
- The gift, minus the advantage, still has to constitute a voluntary transfer of property and meet the intention to make a gift threshold.

What is the intention to make a gift threshold?

When the fair market value of an advantage received for a gift is more than 80% of the fair market value of the gift itself, the CRA generally considers that there is no true intention to make a gift. Therefore, OLPH Parish cannot issue a receipt⁴.

5. Donation by a Business of Goods from Inventory

OLPH will issue official donation receipts to businesses for gifts out of inventory. Documentation, such as an invoice indicating the business name, address, and value of the gift, is required. The value will be the retail value for retailers or the wholesale value for wholesalers.

6. Gifts Which Do Not Qualify for Tax Receipts

CRA regulations do not permit tax receipts for certain gifts, including:

- Gift certificates donated by the issuer.
- Hotel accommodations.
- Use of vacation property or time-shares.
- Gifts of service (time, skills, or effort), as property does not change hands.

In some cases, CRA allows a process of cheque exchange.

Also, OLPH Parish **cannot issue official donation receipts** for the following:

- for contributions of services⁵ provided to the charity (services do not qualify as gifts)
- on behalf of another organization or charity
- in a name other than the name of the true donor.

7. Items Bought at Auctions

CRA permits donation receipts for auction items if the intention to gift threshold is met. The criteria are:

- The fair market value of the item must be established and disclosed to all bidders before the auction.
- The winning bid must be at least 125% of the posted fair market value.

³ [Deemed fair market value rule - Canada.ca](#)

⁴ [Split receipting - Canada.ca](#)

⁵ [Gifts of services - Canada.ca](#)

The donation receipt will be issued for the portion of the bid above the posted fair market value, provided the bid meets the 125% threshold. Additionally, the eligible donation amount must exceed the minimum eligible value specified in section one; if not specified for the event, the default minimum is \$100.

Frequently Asked Questions (FAQs)

Restrictions on Cash Gifts

Q: What is an example of a restriction that may not be approved by the Archdiocese for a cash gift?

A: OLPH Parish has a gift acceptance policy providing general guidelines. For example, naming a classroom is not permitted under the Donor Recognition Guidelines.

Gift Certificates Received Directly from the Issuer

Q: Why is OLPH Parish not able to issue a charitable receipt for a gift certificate received directly from the issuer?

A: OLPH Parish is unable to issue a charitable tax receipt for such gift certificates because the CRA does not permit it. Gift certificates received directly from the issuer are not considered real property, so property does not change hands.

Other Gifts Not Eligible for Charitable Tax Receipts

Q: What are some other examples of gifts for which OLPH is not able to issue charitable tax receipts?

A: OLPH Parish cannot issue charitable receipts for:

- Contributions of services (time, skills, effort) as a gift must involve the transfer of property.
- Donations of used clothing, furniture, or baking, though occasional exceptions may be made for gifts with substantial value.
- Gifts of the use of time-shares or vacation properties.
- Gifts for the benefit of a specific person.

Definition of Gifts-in-Kind

Q: What are gifts-in-kind?

A: Gifts-in-kind are gifts of property, also known as non-cash gifts. Examples include wine, artwork, equipment, securities, and cultural or ecological property.

Requirement for Purchase Receipt for Gifts-in-Kind

Q: Why is a purchase receipt required to receive a charitable tax receipt for a gift-in-kind?

A: The Archdiocese of Vancouver only issues charitable tax receipts when the donor can provide a register receipt, when the item's value can be objectively determined (such as through an internet search at reputable stores), or when an appraisal is presented.

Qualified Appraisers

Q: Who is qualified to do an appraisal?

A: A professional appraiser, valuator, or other accredited individual in the field of valuation can provide an appraisal. The appraiser should be independent, knowledgeable, and active in the marketplace for the specific property. The donor is responsible for the appraisal cost. More information is available on the CRA website.

Valuing Gifts from Business Inventory

Q: How will the value of a gift out of a business' inventory be determined?

A: OLPH Parish will issue a charitable receipt based on the value of the gift out of inventory. For wholesalers, it will be the documented wholesale value; for retailers, the documented retail value.

CRA Guideline References

Below is a list of relevant reference guidelines from the CRA website:

- Issuing Receipts – Guidance for Charities (CRA Guidance CG-014)
- Gifts-in-Kind – Policy (CRA Policy P113)
- Cash Gifts – Policy (CRA Policy P110)
- Gift Certificates – Policy (CRA Policy P115)
- Gifts of Services (CPC-017)
- Minimum Value for Receipting – Policy (CRA Policy P116)