



PARKS FOUNDATION CALGARY

M-8 RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

Policy Number	Policy Name	M-8 Receiving Donations and Issuing Tax Receipts Policy
Author		Controller, Steve Duncan
Attachments		No attachments or list items
Approved By: Date Approved		Chief Executive Officer, Sheila Taylor
Last Date Modified		February 2021

Statement

The Parks Foundation, Calgary (“Parks Foundation”) will follow all legal requirements, City of Calgary policies, and its own internal policies with respect to receiving donations and contributions.

Parks Foundation is an entity with standing under the Income Tax Act (Canada) (the “Act”) is determined to have a tax standing as that of a municipality. All donations receive a tax receipt from Parks Foundation, Calgary as an agent of the City of Calgary. Charitable gifts made by an individual Canadian taxpayer to the Parks Foundation qualify for a charitable donation tax receipt pursuant to the definition of “total charitable gifts” in subsection 118.1(1) of the Act and for corporate donors pursuant to paragraph 110.1(1)(a) of the Act. Parks Foundation is exempt from income tax pursuant to subsection 149(1) and 149(1)(c) of the Act.

Policy

The following guidelines apply to contributions made to the Parks Foundation.

1. Non-Revocable Gift:

Donors are gifting their funds to the Parks Foundation, an Agent of The City of Calgary, and not to any other body. Donors may be individuals or organizations. Once gifted, a contribution cannot be revoked.

2. Forms of Contribution:

Donations to the Parks Foundation may be made through Parks Foundation’s online donation system, by cheque, credit card, cash (cash contributions are made by appointment in person at the Parks Foundation), stocks or securities, life insurance beneficiary, naming Parks Foundation in your will or making a gift through a Donor-Advised Fund. The Parks Foundation reserves the right to refuse non-cash donations in order to insure that the donation complies with all legal requirements or to ensure Parks Foundation can convert the donation to cash for the value of the receipt.

No tax receipt can be issued for services provided. The donor may make a cash donation to receive a receipt. If services are provided they can invoice for services and then donate the money back, but these must be two separate transactions, and must be approved in advance by the Parks Foundation.



PARKS FOUNDATION CALGARY

M-8 RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

Tax receipts cannot be issued for donations in kind in the form of goods or materials unless there an appraisal provided or appraisals in form, substance and authorship acceptable to the Parks Foundation.

3. Directed Donation:

Donations by cheque must be made out to the “Parks Foundation Calgary”. While donors may express a preference on how their gift may be applied, by law, the decision of how funds are spent ultimately remains that of the Parks Foundation.

4. Receipts:

All donations made by cheques must be made out to the “Parks Foundation Calgary”. The receipts will be sent to the person who issued the cheque. All donations for which e-mail information has been provided will receive a tax receipt from Parks Foundation, as an Agent of the City of Calgary. If an email address is not provided, only donations of \$100.00 or more will receive a tax receipt by mail.

5. Benefits to Contributors:

Tax receipts may be used for donations provided only if these donations will not provide any benefits to the donor or any person who might be determined to be non-arm’s length parties of either the donor or organization. The organization will document with accuracy the source of funds in detail as to arm’s length or not and will assume full responsibility for this. The Income Tax Act Section 251 states that related persons shall be deemed not to deal at arm’s length. Related persons are individuals connected by blood relationship, marriage or common-law partnership, or adoption. Examples of what would be considered benefits would include but not be limited to:

- 5.1. Commercial benefit such as sponsorships, preferred facility use rights, preferred vendor rights, etc.;
- 5.2. Gifts of objects, clothing, uniform or other items of material value;
- 5.3. Memberships, right of facility use, access fees;
- 5.4. Right to participation in programs, courses, teams; or
- 5.5. Trips, travel costs or entry fees.

No donations will be split on behalf of the organization in order to differentiate between the donation given and payment for the above noted or any other benefits to which the Organization would be obligated to provide to the donor or any person who might be determined to be non-arm’s length parties of either the donor or Organization.

6. Contributions from Organizations

Although organizations will receive a tax receipt for contributions, those contributions are considered a business expense and not personal charitable deduction (as an individual).



PARKS FOUNDATION CALGARY

M-8 RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

7. Split Donations:

Each donor must make out his/her individual cheque to the Parks Foundation. A group cannot send one cheque and a list of donors without prior permission from the Parks Foundation in advance of collecting the funds.

8. Third Party Fundraising:

If a fundraiser is held by a third party (e.g. community association), the monies for the fundraiser and the donations must be kept separate.

9. Third Party Grant and Contribution Agreements

Any funds received from grants or any donations not requiring a tax receipt are handled in accordance with the terms of their contract, with the party named on the grant agreement (e.g. community association) ultimately responsible for complying with all contract terms.



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M-8 RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY



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**Parks Foundation Calgary
(As an Agent for The City of Calgary)
Charitable Status**

To Whom It May Concern:

The *Parks Foundation Calgary* is deemed a municipality that functions as a charitable organization and acts on behalf of The City of Calgary as the Project Support Administrator for parks, playgrounds, and amateur sport projects.

This letter provides you with some information regarding the status of *Parks Foundation Calgary*. Specifically, this letter is to confirm:

1. **Donations (Gifts) In Cash or In Kind**
 - *Parks Foundation Calgary* is an entity with standing under the Income Tax Act (Canada) (the "Act") and is determined to have a tax standing as that of a municipality;
 - *Parks Foundation Calgary* is a "qualified donee" and exempt from income tax pursuant to subsection 149(1) and 149(1)(c) of the Act; and
 - Charitable gifts made by an individual Canadian taxpayer to the *Parks Foundation Calgary* qualify for a charitable donation tax receipt pursuant to the definition of "total charitable gifts" in subsection 118.1(1) of the Act and for corporate donors pursuant to paragraph 110.1(1)(a) of the Act.
2. **Goods and Service Tax (GST)**
 - Determined by Canada Revenue Agency to be a municipality as a para-municipal organization, pursuant to subsection 123(1) of the Excise Tax Act, *Parks Foundation Calgary* is entitled to 100% GST Rebate, with GST business #10524 0014 RT0001.
 - Further, our partners enter into the related Project Support Program Grant Agreements and Agency Agreements that are put in place between these partners and the *Parks Foundation Calgary*. In essence, the documents create a relationship in which the partner becomes an agent of *Parks Foundation Calgary* with regard the completion of the projects. In turn, this relationship transfers the ownership of all GST Input Tax Credits or the Public Service Bodies' Rebates due from the Agents to *Parks Foundation Calgary*. Also, because *Parks Foundation Calgary* is the payer on the invoices, it is the entity that qualifies for GST refund.

Parks Foundation Calgary is, in all respects, virtually identical to a registered charity for most purposes except that it is owned by the city government rather than by directors, shareholders, members or trustees.

Please call me at 403-974-0752 or email at sduncan@parksfdn.com if you have any questions or concerns.

Sincerely,
D. Stephen Duncan
Stephen Duncan, CGA
Controller