



PARKS FOUNDATION CALGARY

RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

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.

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.



PARKS FOUNDATION CALGARY

RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

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

RECEIVING DONATIONS AND ISSUING TAX RECEIPTS POLICY

7. Donations in Kind and Donations of Service:

No tax receipt can be issued for services provided. If services are requested by Parks Foundation Calgary following standard purchasing procedures (invoice, or purchase order), the service provider can invoice for services and then donate the money back. Tax receipts cannot be issued for donations in kind in the form of goods or materials unless there is a professional appraisal or appraisals in form, substance and authorship acceptable to the Parks Foundation Calgary.

8. 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.

9. 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.

10. 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.