

Donation Receipts and Eligible Programs FAQ's

Q - Can we solicit donations on behalf of C5PBA?

A - Yes, C5PBA is able to accept donations or "gifts" from donors as long as it meets the basic definition whereby the gift is a voluntary transfer of property without expectation of return or consideration. The Canada Revenue Agency (CRA) states that "accepting a gift or donation which was expressly or impliedly conditional upon the RCAAA making a gift or donation to another person, club, society or association is strictly prohibited". The Income Tax Act also specifically stipulates that CRA may revoke the registration of an RCAAA where it finds otherwise.

Q - Can C5PBA issue donation receipts?

A - Yes, there are specific tax provisions in the Income Tax Act which are intended to benefit RCAAAs such as C5PBA by allowing us to issue official donation receipts for income tax purposes thereby providing tax incentives to donors.

Q - Can I get more information concerning eligible donations or income tax receipts?

A - Yes. You can always contact the Canada Revenue Agency (CRA) at:

Charities Directorate,
Canada Revenue Agency,
Ottawa ON K1A 0L5,
1-800-267-2384
website at www.cra-arc.gc.ca/charities

or contact:

Canadian 5 Pin Bowlers' Association
206 – 720 Belfast Rd.
Ottawa ON K1G 0Z5
613-744-5090

1. Individuals and Corporations

Q - Can we solicit donations on behalf of a specific program?

A - Yes, these funds will be directed to the disciplines or programs of C5PBA requested by the donor in order to assist with our mandate to develop and promote 5 pin bowling in Canada.

Q – Who controls the funds on behalf of a specific program?

A – C5PBA will direct the funds to the program. These funds will remain within the program budget to spend according to the program mandates, goals or objectives for the year.

Q - Can the donor make the cheque out in the name of the specific program?

A - No. All cheques must be made out to Canadian 5 Pin Bowlers' Association or C5PBA as we are issuing the official receipt for income tax purposes.

Q - Can we solicit donations on behalf of a specific athlete?

A - No. This is an area CRA specifically addresses. We are not allowed to be a flow through from donor to athlete. If the donation has specific directions attached to it, then it does not meet the basic definition of a gift. As a RCAAAA, C5PBA's mandate is to develop and promote the entire sport rather than selected individuals.

Q - Can we solicit donations on behalf of a group of athletes such as the Youth Challenge?

A - Yes. The funds would then be allocated to a specific group of athletes associated to a program as addressed above.

For more information on individual or corporate donations please contact CRA or the C5PBA office at the coordinates previously listed.

Q - Can we get a donation receipt for items donated to an auction for resale?

A - Yes. Any "property" donated for auction qualifies for an official donation receipt for income tax purposes.

Q - How do we determine the value of an item and the amount of the donation receipt?

A - If the item (property) comes from a source with a set published retail price etc. then that retail price becomes its value; no assessment is needed. Proof of the stated value, such as an invoice or catalogue price should accompany the item when it is donated. A donation receipt will then be issued from C5PBA to the donor of the item for its stated value.

If someone donates an item that is valued at more than \$1,000 and proof cannot be stated then an independent appraisal from an expert should be obtained. The value can then be applied to the official donation receipt for income tax purposes.

Q - Does the actual selling price of an auction item reflect the donation receipt amount?

A - No. What we sell that item for (to the buyer) at the auction does not reflect the amount listed on the official donation receipt for income tax purposes (of the donor). They are two separate transactions.

Q - Can we issue donation receipts for gift certificates?

A – Yes, if you follow CRA guidelines. Companies or individuals who donate gift certificates should be treated as follows: C5PBA should buy the gift certificate and issue a cheque to the donor, who then records a sale transaction in their books. The donor can then issue a cheque back to C5PBA as a donation and a tax receipt will be issued for the amount of the cheque. The certificate can then be sold at the auction.

Q - Can we issue donation receipts for gifts of service?

A – No and Yes. CRA has determined that donations and contributions of services, that is, of time, skills or efforts, are not considered property, and therefore do not qualify as gifts for purposes of issuing official donation receipts. As such, C5PBA cannot issue an official donation receipt for services rendered free of charge.

However the answer would change to yes if the donated services follow the process of a gift certificate (as previously listed) whereby C5PBA pays for the service, the revenue is then recorded into the donors sales or income and then the donor can issue a cheque back to C5PBA as a donation and a tax receipt will be issued for the amount of the cheque. The certificate of services can then be sold at the auction.

For more information on Fund raising events and galas please contact CRA or the C5PBA office at the coordinates previously listed.