VICTORIA HOSPICE

Special Events & Tax Receipts

Victoria Hospice and Palliative Care Foundation is designated as a Registered Charity by the Canada Revenue Agency (CRA). To maintain Registered Charity status, the Foundation must meet certain requirements of the Income Tax Act. Among other requirements, the Income Tax Act is very specific about the definition of a charitable gift and issuing tax receipts.

Organizers of fundraising events for the benefit of Victoria Hospice should consider the issues around tax receipts early in the planning process. ***Please call the Victoria Hospice Fund Development Office at 250-519-1744 to discuss charitable receipts prior to promoting the event, obtaining sponsorship or selling tickets.***

As a rule, Victoria Hospice and Palliative Care Foundation will issue tax receipts for gifts to special events of $20 or more if:

- Gifts meet CRA criteria (see "What is a gift?" below)
- Complete donor information (name, address, date of gift) accompanies the gifts

What is a gift?
For a registered charity to determine whether a gift has been made, it must consider the following:

Was the gift made voluntarily?
The donation must be given freely. If a donation is made as a result of a contractual or other obligation (for example, a court order), it is not eligible for a receipt.

Was there a transfer of property?

- Only gifts of property are eligible for official donation receipts (for example, cash, computers, equipment).
- Gifts of service, and promises of service, are not gifts of property, and are not eligible for an official donation receipt.
- Gift certificates donated by the issuer of the certificate are not considered property and are only eligible for official donation receipts under specific circumstances. See guidance CG-007 below. However, a gift certificate purchased and then donated, does constitute property, and may be receipted.
- Pledges do not constitute a transfer of property until they are fulfilled and, as such, are not eligible for an official donation receipt.

  (See below for a more comprehensive list.)

Did the donor receive an advantage?
When a donor receives an advantage or consideration for a donation, part or all of the donation may no longer qualify as a gift.
Examples of advantages might include: a ticket to an event; use of property; or a dinner and/or performance at a fundraising event.

In the case of fundraising events, this limits whether a tax receipt may be issued, and the allowable amount of the receipt.

Was the gift directed to a specific person, family, or other non-qualified donee?

A donation subject to a general direction from the donor that the gift be used in a particular program operated by the qualified donee is acceptable, provided that no benefit accrues to the donor or anyone not at arm's length to the donor. Donors cannot choose the specific beneficiaries of their donations but can still give to a particular program once the charity has identified a beneficiary. The qualified donee must be able to reallocate the donated funds within the program as it deems appropriate. If the donor retains too much control, the donation will no longer be considered a gift at law and an official donation receipt cannot be issued.

What types of transactions generally do not qualify as gifts?

Transactions that do not qualify as gifts include:

- a court ordered transfer of property to a qualified donee;
- the payment of a basic fee for admission to an event or program;
- the payment of membership fees that convey the right to attend events, receive literature, receive services, or be eligible for entitlements of any material value that exceed 80% of the value of the payment;
- a payment for a lottery ticket or other chance to win a prize;
- the purchase of goods or services from a charity;
- a donation for which the fair market value of the advantage or consideration provided to the donor exceeds 80% of the value of the donation;
- a gift in kind for which the fair market value cannot be determined;
- donations provided in exchange for advertising/sponsorship;
- gifts of services (for example, donated time, labour);
- gift certificates donated by the issuer (may qualify under specific circumstances as indicated in guidance CG-007);
- pledges;
- loans of property;
- use of a timeshare; and
- the lease of premises.