



TAX RECEIPT GUIDELINES

Thank you for your interest in hosting an event for True Patriot Love Foundation. Your passion and commitment to raising funds to support Canada's military community is deeply appreciated.

The Canadians who currently serve or have served in our Armed Forces have a diverse range of experiences and expertise, but they share a common commitment to protecting and defending our country, both at home and abroad.

They've had our backs - now it's time we had theirs. Whether they are facing healthcare challenges, their families need support, or they are seeking to transition to civilian life, it's our responsibility to make sure their needs are met. By accepting that responsibility and giving generously, Canadians can find their own ways to serve.

True Patriot Love Foundation is committed to following all rules and regulations regarding tax receipts set out by the [Canada Revenue Agency \(CRA\)](#). This is imperative to protecting our charitable status.

If tax receipts for your participants is a major consideration in the likely success of your event, then please review the tax receipting guidelines before you make any final decisions regarding your event.

Does my event need tax receipts?

It is your responsibility to communicate decisions surrounding tax receipts to the participants of the event. Before discussing tax receipts, please connect with a staff member at True Patriot Love to discuss your event and ensure you are clear about what you can and cannot offer.

A good rule of thumb - if an individual or corporation is receiving any benefit for their donation or contribution, then a tax receipt is not issued. Benefits could include: dinner, alcohol, entertainment, parking, etc.

Ask yourself: Is receiving a tax receipt important to the people participating in my event?

If the answer is NO, you will be saving yourself and the Foundation many hours of work by deciding not to offer tax receipts. The Foundation would be pleased to provide a thank you letter confirming any gift rather than issuing a tax receipt.

If the answer is YES, then be sure to review the following information about tax receipts and talk with a True Patriot Love staff member to confirm your plans.

If your event is only accepting donations online, you can create an online donation page through the True Patriot Love website and tax receipts will be issued automatically for all donations over \$10.



Types of Giving

Individuals can make a gift to True Patriot Love Foundation in the following ways:

1. Direct Donation
 - If money is given directly to the Foundation, in the form of a cheque or cash donation, then we can issue a charitable receipt to the person who gave the donation. Note: Donations made online are issued an automatic tax receipt through email.
 - The donation must be \$10.00 or greater to receive a tax receipt.
 - The full name and address (including postal code) must be submitted.
2. Auction purchases
 - If someone purchases an item at an auction, they are receiving something (the purchased item, as well as the opportunity to participate in the auction) for their money and thus a tax receipt will not be issued.
3. Purchase of a ticket or entrance fee to an event (gala, show, sporting event or auction)
 - The person is receiving something in return for the donation, thus a tax receipt is not usually issued.
 - The exception to this is if the ticket or entrance fee price significantly exceeds the Fair Market Value (FMV) of the event.
 - The difference between the ticket price and the benefit should be a minimum 20% of the ticket price or \$20 whichever is higher.
 - If you are interested in offering tax receipts and need more information about Fair Market Value, please contact a True Patriot Love staff member to discuss prior to offering tickets for sale.

Coordinator of a Fundraiser

It is the CRA's view that where a Coordinator of a Fundraiser collects funds from the public and pays the amount to a registered charity, the coordinator would NOT be the person entitled to a tax receipt.

The Coordinator of a Fundraiser appears to be acting as an "Agent" for the persons (donors) from whom the funds are collected. The property transferred to the charity is the property of the persons from whom the gifts were collected on the understanding it would be given to a charity. Those persons are entitled to a tax receipt within the guidelines of charitable tax receipting rules applicable to events.



The Foundation can provide tax receipts only if...

1. The tax receipt is being issued to the person who made the donation OR where the person issuing the cumulative cheque to the Foundation has acted as a donation collector, a completed Tax Receipt Log (see number 3) has been provided along with that cheque.
2. The eligible amount of the donation is \$10.00 or greater.
3. You provide a complete and legible list of donors on the Tax Receipt Log. Tax receipts will not be issued until the Tax Receipt Log has been submitted.

The following information needs to be completed in the Tax Receipt Log:

- First and last name of donor
 - Full address, including city and postal code
 - Telephone number
 - Amount given
 - Donor signature
 - List and value of any benefits received for donation (provide the Fair Market Value of the benefits NOT the cost)
 - Amount tax receipt to be issued for (amount paid less fair market value of benefits received)
4. You have completed an Event Financial Summary and have been given approval by the Foundation. You must discuss your event and complete an Event Financial Summary BEFORE you can make any commitments to your donors/suppliers for tax receipts. The Event Financial Summary must be submitted at least 30 days prior to your event.
 5. The donations and a completed Tax Receipt Log are received by the Foundation within 60 days AFTER your event.
 6. The rules and regulations additionally outlined for your specific type of event are followed.

Please note: A business acknowledgement letter can be provided to sponsors or other corporate contributors as proof of payment. Most companies prefer to claim contributions as business expenses as there is a greater tax advantage for a business expense than a charitable donation.

True Patriot Love Foundation CANNOT issue official income tax receipts in the following situations:

- Contributions of services (not considered as property)
- Gift certificates where the donor was the issuer, or the certificate was not purchased outright and then donated
- Use of vacation property



What are benefits?

- Any products or services received by the donor
- Entertainment, food, and drinks – cost that would be charged if the food and/or drink were purchased separately green fees - this would be the green fee charged to non-members playing on the course.

Note that if a member of a club is participating in a golf tournament at his/her own club, and would not have to pay for the round, the green fee does not need to be deducted from his/her entry fee to arrive at the donation amount.

- Cart rental – cost of rental
- Door prizes/achievement prizes – The total retail value of the prizes, whether they are door prizes or prizes awarded for achievement, must be aggregated, and then divided by the number of participants. The amount per participant, if it exceeds the lesser of 10% of the entry fee and \$75, must then be deducted from everyone's receipt amount
- Any other benefit to the participant.

What is fair market value?

Fair market value is the highest price, expressed in a dollar amount that the property (item) would bring, in an open and unrestricted market, between a willing buyer and a willing seller who are knowledgeable, informed, and prudent and who are acting independently of each other.

Fair market value does not include taxes, commission, etc.

If the fair market value cannot be established (i.e., what is the value of meeting a famous person?), then a tax receipt cannot be issued.

Even if a sponsor has paid to cover costs or has donated or discounted the price of the entertainment, food, etc., the same rule applies and only the price beyond the fair market value would apply for a tax receipt.

For more detail regarding fair market value and determining benefits, please review the [CRA summary policy](#).



Gifts in-kind for events

Gifts-in-kind are generally donated by companies and usually represent a gift from inventory.

Tax receipts will not be issued for these gifts, as it is understood that the business would not benefit by receiving a tax receipt, as they would also be required to claim the fair market value in its revenues. True Patriot Love Foundation will gladly provide the company with a thank you letter acknowledging the gift.

If an individual donates an item, the item needs to be of value to the Foundation and the fair market value must be established for the item at the time of donation.

This can be done by:

- Getting a purchase invoice or other proof of purchase
- Having an independent third party appraise and value the item at the donor's cost
- Obtaining a current price list for the item from a recognized commercial enterprise operating independently of the donor

If the item was purchased within the last 3 years, then the fair market value is the lesser of the purchase price and the amount revealed in the appraisal. Tax receipts will not be issued for gifts-in-kind below \$100.

A tax receipt cannot be issued for personal services including: legal, entertainment, transportation, or dining services.

Approval for all gift-in-kind tax receipts must be obtained in advance from True Patriot Love Foundation.

Donations of artwork for events

The following documents are required to issue tax receipts for donations of artwork:

- Appraisal at donor's expense
 - The appraisal must be signed by a certified appraiser.
 - One page boiler plate appraisals, e-mailed appraisals, scribbled appraisals, or appraisals written in pencil are not valid.
- A list of credentials for the appraiser
- A history of the artist
- A description, picture, and history of the piece of artwork including significant points of reference
- The methodology used to value the artwork
- Reference to recent market purchases used to substantiate market value
- Proof of the date of acquisition of the artwork and a statement that the artwork was not purchased for purposes of donation



Corporate contributions

Corporations can give in the following ways:

1. Donations:
 - a. If the contributor is a corporation, 100 per cent of the contribution may be deductible as a business promotional expense.
 - b. True Patriot Love Foundation typically issues a letter confirming the value and date of the donation upon payment.
 - c. If the corporation receives no benefits (i.e. advertising in a brochure, logo recognition, tickets, etc.) and all other requirements are met, a tax receipt may be issued at the request of the corporation
2. Sponsorships
 - a. By virtue of being a sponsor, the corporation is receiving benefits in the form of recognition and advertising.
 - b. A business confirmation letter will be issued which will support their contribution as a business expense.
3. Businesses donating inventory
 - a. The Foundation can provide the donor with a gift-in-kind letter stating the value of the gift.
 - b. We require backup to validate the value of the item(s).
4. Gift-in-kind donations:
 - a. Businesses can deduct the original cost of the inventory as a business expense and not lose the tax benefit associated with the transfer of property.
 - b. The Foundation will issue a gift-in-kind letter that can be used to verify the write-off of the inventory.
5. Donation of Services:
 - a. Tax receipts cannot be issued for services provided including: personal, professional, or legal services.