

## Administrative Procedures 526 Charitable Donations

Adopted: June 28, 2011

Amended: January 26, 2026



### External References:

- Education Act: Sections 85, 87, 109, 110
- Income Tax Act

### Internal References:

- AP 375 Student Awards
- AP 436 Student and Staff Recognition
- AP 525 Advertising, Corporate Sponsorship and Partnerships

### Background

The Division shall acknowledge cash or other donations for the advancement of education within the Division by issuing receipts which may enable the donor to claim the donation as a tax deduction.

The Division reserves the right to refuse any donation if it is not deemed to be in the best interests of the Division to accept it.

### Definition

Gift – There is no definition of gift in the Income Tax Act but common-law meaning is a voluntary transfer of money or property for which the donor receives nothing of value in return.

### Procedures

1. The Division is registered as a Charitable Organization and, as such, can issue tax receipts for eligible donations.
2. In order to be eligible for a tax receipt, the donation must be made payable to Sun West School Division; the donor must specify how the donation is to be used – which school, school program, etc.
3. Gifts
  - 3.1 Labour cannot be a gift since there is no transfer of money or property.
  - 3.2 The tax receipt eligible amount of a gift is the amount by which the fair market value (FMV) of the donation exceeds the amount of the advantage to the donor. For example, if someone borrows a data projector from the school and then makes a donation as a thank you, the amount of the donation eligible for a tax receipt is the amount by which the donation exceeds the cost of renting a data projector commercially.
  - 3.3 The intention to give is generally presumed to have existed where the amount of the advantage provided does not exceed eighty percent (80%) of the FMV of the property transferred.
  - 3.4 For acceptable donated items, the average of three (3) price quotes will be used to establish the FMV of the item if said value is not clearly defined.

#### 4. Trust Funds

4.1 Trust funds will be maintained and will contain the assets, liabilities transactions and fund balances from donations and other contributions that are administered by the Division for scholarships and bursaries and the enhancement of school specific projects benefiting Division students.

4.1.1 Funds are to be held in trust for the purposes intended.

4.1.2 The Division is to make every effort to comply with the conditions specified by the donor.

4.1.3 The Division is authorized to receive donations for the purpose of establishing scholarships and student bursaries.

5. Donations received by the Division on behalf of a school and/or program will be held in trust until direction from the Principal regarding the school or program is received.

6. Schools are not registered as charitable organizations and cannot issue tax receipts directly therefore cheques need to be made payable to Sun West School Division.

7. Principals are responsible for ensuring that the eliciting and processing of tax receipt eligible donations are done in accordance with federal legislation, Board policy and Division administrative procedures.

8. Where a donation is not used for the specific purpose for which it was given, the donor will be refunded unless the donor gives permission in writing for the donation to be used for another purpose.