



Policy #35  
To Govern the Issuance of Income Tax Receipts for  
Donations Received

December 10, 2015 (A)  
March 25, 2004

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**Definitions and Interpretation Rules**

Wherever a word is used in this Policy with its first letter capitalized, the term is being used as it is defined in this Section. Where any word appears in ordinary case, its regularly applied meaning in the English language is intended. Defined terms may be used throughout this policy in different grammatical contexts.

“**Appraisal**” shall mean a formal evaluation or assessment of an item by an expert.

“**Cash**” shall mean legal tender, ready money including petty cash, bank account balances, customer cheques and marketable securities.

“**Donation**” shall mean the act of giving a gift, grant or contribution, especially to a charity or public institution.

“**Labour**” shall mean work, especially hard physical work/effort.

“**Municipality**” shall mean the Corporation of the Township of Minden Hills.

“**Tangible Item**” shall mean a real or actual article that can be touched.

“**Tax Receipt**” shall mean a written acknowledgement that proves that money, goods or information have been received.

**Purpose**

The purpose of this Policy is to govern the issuance of income tax receipts for donations of cash, tangible items or labour received.

## **General**

The Township recognizes three types of donations:

- Cash
- Tangible Items
- Labour

## **Scope**

This policy shall apply to persons donating cash, tangible items or labour for tax receipt purposes.

## **Guiding Principles**

### **Donations of Cash**

- a) It must be clear that the money received is a true donation and that the donor has neither received a benefit from giving the money nor is the donor paying an amount owed to the Municipality.
- b) Upon receiving a cash donation that is eligible under Clause “a”, the Township of Minden Hills shall issue a receipt for income tax purposes in the amount of the donation.
- c) The donation shall be issued for the purpose specified by the donor.

### **Donations of Tangible Items**

- a) If a tangible item is offered to the Municipality as a donation, the applicable Department Head shall determine if the article will be accepted based on such criteria as need, suitability and liability.
- b) An individual, offering to donate a tangible item in exchange for a receipt for income tax purposes, shall be required to have the article appraised, at their expense, by an independent appraiser, approved by Council.
- c) Upon receipt of the written appraisal, a receipt for the article(s) received, as a donation, may be provided by the Municipality.

Donation of Labour

An individual offering services in exchange for a receipt for income tax purposes, shall be required to invoice the Municipality for the said services and will then be paid accordingly from the applicable department receiving the services. The individual, being paid, will be obliged to claim the payment as an income source. The individual may in turn provide a cash donation to the Municipality for purposes specified by the individual, and then receive a receipt for income tax purposes.

Adopted by Council this 10<sup>th</sup> day of December, 2015.



Brent Devolin, Reeve



Dawn Newhook, Clerk