



# Donation Receipting Procedure

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

<b>Functional category</b>	Operations
<b>Parent policy</b>	Donation Policy
<b>Approval date</b>	June 18, 2025
<b>Effective date</b>	June 18, 2025
<b>Procedure owner</b>	Vice President, External Relations
<b>Procedure administrator</b>	Director, Fund Development and Alumni Relations

## Overview

Donations to NorQuest College (College) are made through the NorQuest College Foundation (Foundation). The Foundation is a registered charity and receives donations for the College from a wide variety of sources including associations, corporations, foundations, and individuals.

This procedure outlines the activities associated with receipting of donations.

Authority to establish this procedure is derived from the [NorQuest College Board of Governors Policy No. 5](#), which delegates authority to the President and CEO to establish policies and procedures for the College's management and operation.

## Procedure

Receipts are issued for all accepted donations. Donations that qualify under the [Income Tax Act \(Canada\)](#) are issued official receipts for income tax purposes. Donations that do not qualify for an income tax receipt are issued a non-charitable receipt.

### Official Income Tax Receipts

An official income tax receipt for a donation will be issued according to the donation acceptance principles outlined in the [Donation Policy](#), and where all of the conditions listed below are satisfied:

- some property, usually cash, is transferred by the donor to the College,
- the transfer is voluntary, and
- the transfer is made without expectation of return.

Donation receipts are issued by the College Advancement Division. Specific documentation, depending on the nature of the donation, must be provided before a charitable tax receipt can be issued.

Official income tax receipts cannot generally be issued for the following:

- a court ordered transfer of property
- 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
- 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
- pledges
- loans of property
- use of a timeshare and/or the lease of premises
- donations made on behalf of another organization or charity

- donations in a name other than the name of the true donor.<sup>1</sup>

### **Non-charitable or Business Receipts**

For gifts that do not qualify for a charitable tax receipt under CRA guidelines, an acknowledgement by way of a letter or ordinary receipt – one that does not state that it is an official receipt for income tax purposes – should be issued

In cases where a donation is received from a charity, a normal business receipt is sufficient to acknowledge the gift.

Business receipts are also used when acknowledging other transactions not eligible for an official charitable tax receipt, such as sponsorship where there has been a clear advantage to the business.

### **Preparation of Receipts**

Each receipt is prepared in duplicate bearing its own serial number and is signed by an individual authorized to acknowledge donations. The signature used for receipts may be a facsimile signature, in compliance with the guidelines provided by the CRA. For donations of property other than cash, the fair market value of the property at the time the gift was made, as well as the date of the gift, a description of the property, and the name and address of a reputable appraiser is required, if applicable.

For donations of cash the receipts will contain:

- a statement that it is an official receipt for income tax purposes,
- the name and address of the Foundation,
- the Foundation's registration number,
- the serial number of the receipt,
- the place or locality where the receipt was issued,
- the day or year the donation was received,

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<sup>1</sup> <http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/gfts/whts-eng.html>

- the day on which the receipt was issued if it differs from the day of donation,
- the full name and address of the donor,
- the amount of the donation,
- the signature of an individual authorized to acknowledge donations, and
- the name and Website address of the [Canada Revenue Agency List of Charities](#).

For non-cash donations (gifts in kind), the receipt will have these additional elements:

- the day on which the donation was received,
- a brief description of the property transferred to the College,
- the name and address of the appraiser (if property was appraised), and
- the deemed fair market value of the property.

### **Control of Receipts**

The College and its employees guard against the unauthorized use of official receipts.

### **Lost or Spoiled Receipts**

In the event an official receipt is lost, the College will issue a duplicate receipt.

### **Receipting Actions**

- Qualified donations received, accepted, and processed by the College will be issued a charitable tax receipt.<sup>2</sup>
- Receipts are generally prepared and sent to the donor the same day electronic donations are received and processed.<sup>3</sup>

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<sup>2</sup> Exception to this: Gifts of service are not receipted but are kept, for stewardship purposes, in the software used to control donation receipts.

<sup>3</sup> Where fundraising events are held, receipting may take up to 30 days due to the volume of donations.

- Receipts are generally prepared and sent to the donor within one (1) week of receipt for donations received by mail or in person.
- Receipt numbers are generated by and stored in the donor management software used to produce donation receipts.
- Digital copies of receipts are stored on the Advancement SharePoint site and managed in accordance with the College's Records and Information Management Policy.
- [Tax Receipts](#) are emailed to donors. If a donor requests a hard copy of their receipt, it will be generated at that time.
- A reconciliation of receipts and general ledger entries to bank deposits will take place on a periodic basis.

## Definitions

**Donation:** a voluntary transfer of property without valuable consideration to the donor. In order for a gift to qualify for a charitable tax receipt the following three conditions must be satisfied:

- 1) some property, usually cash, is transferred by the donor to the College,
- 2) the transfer is voluntary, and
- 3) the transfer is made without expectation of return.

In alignment with Canada Revenue Agency (CRA) guidelines, it may be permissible for donors to receive recognition for their gift, including donor wall listing, signage and plaques, or naming opportunities for buildings, displays, education programs, etc.

Donations can be in many forms including: cash, in kind, planned gift, and endowment.

**Fair Market Value:** fair market value is usually the highest dollar value for property in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and acting independently of each other.

**Gift in kind:** gifts in kind, also known as non-cash gifts, are gifts of property. They cover items such as artwork, equipment, securities, and cultural and ecological property.

A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.<sup>4</sup>

**Nominal Value**<sup>5</sup>: for purposes of determining a threshold value for a benefit provided in return for a donation that qualifies for a charitable tax receipt is, fair market value of the benefit not exceeding the lesser of:

- \$75.00 or
- 10% of the amount of the donation.

## Related information

### NorQuest College

- [Donation Acceptance Procedure](#)
- [Donation Policy](#)

### External [https://apps.cra-](https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request_locale=en)

[arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request\\_locale=en](https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request_locale=en)

- [Canada Revenue Agency- Computer-generated receipts](#)
- [Canada Revenue Agency- Information on Receipts](#)
- [Income Tax Act \(Canada\)](#)

## Next review date

June 2029

<sup>4</sup> CRA Charities and Giving Glossary [www.cra-arc.gc.ca/chrts-gvng/chrts/glssry-eng.html](http://www.cra-arc.gc.ca/chrts-gvng/chrts/glssry-eng.html)

<sup>5</sup> Canada Revenue Agency Income Tax Interpretation Bulletin Reference number CG-013: Fundraising by Registered Charities, Section 108.

## Revision history

Date	Version Number	Action
June 2012	V1	New.
August 2013	V2	Update for document links and branding.
May 2016	V3	Update.
August 2019	V4 (published as 3-C)	Compliance Office template & reorganization update.
January 2020	V5 (published as V4)	Update and review.
June 2025	V6	Reviewed and updated to include information on non-charitable or business receipts, Lost or Spoiled Receipts, Control of Receipts and Receipting Actions.