



Charitable Donations 2012

Policy Effective 1 January 2012

Changes were made to the Donations Policy at the Semi-annual meeting last fall. These changes bring us into conformity with Canada Revenue Agency's donation handling requirements. The following summarizes the changes and the impact they have on how local branches deal with donations.

1. Donations in the amount of \$25 or more will be sent a thank you letter from the local branch.
2. Cheques from donors should be made payable to Southeast Regional Library and sent to HQ with a temporary receipt from the branch. These funds will be held at HQ in trust for the branch and used in accordance with any written intentions provided by the donor. A tax-deductible receipt will be sent to the branch to forward to the donor (along with the thank you letter).
3. If a branch wants to use their funds for items other than materials purchase made through HQ, HQ must pay the invoice directly for that purchase – not reimburse the branch.
4. Alternatively, a local library board may register as a charity with Canadian Revenue Agency and issue their own tax deductible receipts (please contact HQ for details).
5. Where the donation is designated for a purpose associated with the local public library branch facility (ex, renovations, furniture, equipment, etc), the municipality within which the branch is located may receive the donation, issue the tax-deductible receipt, and hold the funds in trust in a segregated account and spend the funds on the local public library branch facility.

In summary, HQ can no longer issue a tax-deductible receipt for items that HQ has not paid for. Therefore, a branch cannot submit a receipt from a donor along with their own paid invoice for an item purchased and expect a tax deductible receipt from HQ. We recommend you can contact your local municipality in these cases and they may be able to help you with this.

Please see the new donations policy on the reverse of this letter for more details.

5.10 Donations Policy

Southeast Regional Library will maintain its status as a registered charity with the Canadian Revenue Agency and will adhere to requirements and directives issued by the Canadian Revenue Agency.

1. Donations must be received for a purpose that is consistent with the vision, mission and goals of the regional library. Where the directions of the donor are inconsistent with the regional library's legislative and/or policy mandate, the donation will be declined.
2. When the regional library or one of its branches receives a donation, the donor will receive a tax-deductible receipt and the donation will be used in accordance with any written intentions provided by the donor. Where no direction has been provided; the regional library will allocate the donation based on needs of the regional library or its branches.
3. When the regional library or one of its branches receives a donation of money a thank you letter will be issued for amounts exceeding \$25.00 and the money will be held in trust and reserved in a segregated account until spent. The donation will not be included as revenue until it is spent. Interest received while the funds are held in trust will be credited to general revenues.
4. Branch Donations
 - 4.1 When a local library board receives a monetary donation, the local library will deposit the funds with the regional library and the regional library will issue the tax deductible receipt, hold the funds in trust in a segregated account and spend the funds on behalf of the local library board.
 - 4.2 Alternatively, the local library board may register as a charity with CRA and issue the tax-deductible receipt, hold the funds in trust in a segregated account and spend the funds on behalf of the local public library branch.
 - 4.3 Where the donation is designated for a purpose associated with the local public library branch facility, the municipality within which the branch is located may receive the donation, issue the tax-deductible receipt, hold the funds in trust in a segregated account and spend the funds on the local public library branch facility.
5. Where a local library board chooses to register as a charity with CRA, the local library board shall file all applications, reports, etc. with the regional library as well as with CRA. Further, should a local library board fail to meet all of the CRA requirements, the regional library may suspend the local library's authority to be registered as a charity if CRA has not taken action against the local library board. (The regional library delegates to the local library boards the option of registering as a charity pursuant to Article 40(l) of the Public Libraries Act.)
6. When non-monetary property or "goods" are offered to the regional library or a local library board, a thank you letter will be issued on receipt of the goods. Tax deductible receipts will only be issued for goods that are valued at over \$1,000 and where the donor has paid the costs of attaining an appraisal of the goods from a qualified professional appraiser who has the specialization in valuing the type of goods being donated.