



[www.torchlightservices.ca](http://www.torchlightservices.ca)

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**Policy: 52.A.**

**Donation/Gift Acceptance & Charitable Receipting Policy – External Policy:**

Torchlight Services reserves the right to evaluate all gifts and gifts-in-kind, to confirm they meet the criteria of charitable donation receipting guidelines, as outlined by the Canadian Income Tax Act and Revenue Canada Agency (CRA). Visit the following for more information - <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/issuing-receipts.html>.

The potential donor will be notified as soon as possible if a charitable donation receipt cannot be issued.

Torchlight Services will only issue receipts for a “gift” that meets all of the following criteria:

- 1) Voluntary; the donation cannot be made due a contractual obligation.
- 2) The gift must be a complete transfer. A receipt will not be issued on the promise of a future gift.
- 3) The Gift must be “Property” – Cash, Cheques, or Gifts-in- Kind, such as computers, vehicles, etc. *Services do not qualify as property, and a receipt will not be issued.*
- 4) Intent to Donate – Under the Canada income tax act, a receipt cannot be issued if the donor receives an advantage that is greater than 80% of the Fair Market Value (FMV) of the gift. This is NOT considered a donation and receipt will not be issued. If the advantage is 80% or less than the Fair Market Value (FMV) of the donation, a receipt may be issued for the difference. If the advantage cannot be determined a receipt will not be issued.

Torchlight Services may issue donation receipts under these circumstances:

**Monetary Gifts:**

Receipts will be issued for monetary gifts (cash, cheque, credit card donations) that are \$20.00 or greater.

**Gifts-In- Kind:**

Torchlight may accept “Gifts-in-Kind” if it is determined that the tangible item, for example a vehicle or computer equipment, is useful for our organization. All potential “gifts-in-kind” donations will be reviewed and approved by the Executive Director and Board of Directors.

The “Fair Market Value” (FMV) of the Gift-in- Kind must be determined. Canada Revenue Agency (CRA) defines FMV as the following:

“Fair market value is normally the highest price, expressed in dollars that property 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.”

For more information see <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/issuing-receipts/determining-fair-market-value-gifts-kind-non-cash-gifts.html>.

If Fair Market Value (FMV) cannot be determined a receipt will not be issued, and the donor will be notified.