



Policy #: 0011  
Developed: March 8, 2019  
Revised: December 10, 2020  
Effective Date: January 18, 2021

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## Charitable Gift Acceptance Policy

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**Purpose:** Laubach Literacy New Brunswick is a registered charity, and the recipient of a variety of gifts and as such is responsible to make informed decisions with regard to their acceptance, and to ensure all gifts are received and receipted in accordance with the requirements of the Income Tax Act and the Canada Revenue Agency.

**Scope:** Laubach Literacy New Brunswick (LLNB)

**Responsible Party:** Executive Director, LLNB, and the Treasurer of the Board for LLNB

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## POLICY

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LLNB adheres to the tax receipting guidelines in accordance with the requirements of the Income Tax Act and the Canada Revenue Agency (CRA). No gift will be accepted by LLNB which could improperly benefit any individual or jeopardize the charitable status of LLNB (as defined by CRA). LLNB also adheres to ethical fundraising practices as outlined in LLNB Policy #0010.

When a gift is received from a donor, it is the responsibility of the recipient (LLNB) to determine whether or not the gift qualifies as a donation under the CRA definition and should be processed as qualified donation. An official income tax receipt is issued for all donations of \$20 or more. (Income tax receipts for donations of \$19.99 and under will be issued upon request.)

If there is doubt, LLNB will seek outside advice from a financial or legal professional. When a gift is deemed not to qualify as a donation under the CRA (such as some in-kind donations) the donor will be advised and offered the opportunity to withdraw their gift.

### **Cash Donations**

Gifts of cash may be in the form of cash, cheque, electronic funds transfer, credit card transaction or any other cash transfer medium accepted by LLNB. Cheque and money orders should be made payable to Laubach Literacy New Brunswick, Laubach Literacy NB or LLNB.

### **Gifts-in-Kind**

Gifts-in-kind are donations of property other than cash. They can include (but are not limited to) donations of equipment, furniture, art, services and operating supplies. Gift-in-kind donations may have unique tax consequence for both the donor and the recipient. If LLNB decides to accept a Gift-in-kind, it

will ensure that all proper documentation and requirements are received to support proper accounting principles.

In accordance with CRA, the charitable receipt issued to the donor must equal the fair market value of the gift. If this value is not easily determinable, an independent appraisal must be solicited to determine the fair market value.

### **Special Events**

CRA has strict guidelines regarding the provision of charitable income tax receipts when a portion of the cost of an event ticket offers a benefit to an attendee. Examples of such events include golf tournaments and galas. In this instance a tax receipt will not be issued for the full amount of the ticket price.

General rules and exceptions (such as tickets to fundraising events) related to deductible gifts and official income tax receipts are available from CRA at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

### **Designated Gifts**

The donor may designate the purpose of the gift with the consent of LLNB and with approval from the Executive Director. Donors (when available) will be made aware of any designated funds that have not been spent after two years of having received the funds; and at which time LLNB reserves the right to request the reallocation the funds to an area of greatest need.