



Tax Receipt Guidelines

Charitable Income Tax Receipts

The Dream Factory Foundation is a registered charity and is eligible to issue income tax receipts. The Foundation is obligated to adhere to Canada Revenue Agency (CRA) regulations regarding the issuance of all tax receipts. Failure to comply could result in the revoke of our charitable status.

CRA provides the following definition as a quote. *Income tax receipts are issued to donors who make gifts to charities. A gift is a transfer of property (usually cash) where the donor receives no benefit in return. The donor is the source of the gift.*

We are pleased to provide a tax receipt for all gifts of \$15 or more.

The Dream Factory Foundation can issue income tax receipts under the following conditions:

- Gifts of money whether made in cash, by cheque, credit card or money order.
- Pledges, once the pledge has been fulfilled and received.
- Gifts of securities.
- Gifts of goods upon pre-authorization by The Dream Factory.
- Gifts of insurance policy ownership

The Dream Factory Foundation is unable to issue tax receipts under the following conditions:

- Purchases of raffle tickets, admission tickets, fees and merchandise/ goods or services. Income tax receipts can only be issued to those who have not received a product or benefit in return for their donation.
- If a person collects funds from a group of people, and then writes an individual cheque for the full amount. Tax receipts shall be issued to the individuals who donated the funds once their name, address and postal code have been provided.
- If a person buys an item or product and the retailer states that a percentage is being donated. The customer cannot receive a tax receipt for their funds (percentage) being donated.
- Gifts of *services* are not eligible for a tax receipt.
- Court ordered transfer of property to a charity.
- A gift in kind for which the fair market value cannot be determined.
- Donations provided in exchange for advertising/sponsorship.
- Loans of property.
- Use of a timeshare.
- The lease of premises.

Tax Receipts for Events

Tax receipts can be issued to event participants and donors following the event once The Dream Factory receives the funds and a complete list of names and addresses of the individual donors. Tax receipts can only be issued in the calendar year The Dream Factory receives the donation.

If tax receipts are to be issued to event participants for the gift portion of a ticket price, this amount must be clearly identified and differentiated from the 'fair market value' of the event. Please discuss this with The Dream Factory prior to establishing your ticket price to ensure compliance with all CRA regulations.

FREQUENTLY ASKED TAX RECEIPT QUESTIONS:

Who's name will be on an official tax receipt?

An official donation receipt can only be issued to the true donor of the gift to a charity. If a corporation donates money that has been collected from its employees, and there is a written declaration to prove this, the charity can issue an official donation receipt in each donor's name.

I bought a ticket to an Auction/Fundraising dinner ticket. Can I get a receipt?

In general, if there is a "benefit" for the donation/if the donor receives something in return for the donation, then a tax receipt is not usually issued. In certain circumstances, the non benefited portion of a contribution may be receipted.

What if part of the dinner ticket is intended for donation?

You can get a partial receipt. The event organizer needs to calculate the eligible amount of a gift for receipting purposes when the donor has received a benefit in return for their donation. To determine the eligible amount for receipting purposes, the value of the benefit must be subtracted from the value of gift.

I purchased an auction item at an event. Do I get a tax receipt?

If someone purchases an item at an auction, they are receiving a benefit (the purchased item) for their money and thus a tax receipt will NOT be issued. The Dream Factory can issue tax receipts only to individuals or organizations that make a donation without receiving any product or tangible item in return. Most participants are happy to acquire an auction item without any expectation of receiving a tax receipt. They are delighted to know that their contribution would go to a worthy cause.

I purchased a raffle ticket, can I get a tax receipt?

Due to the fact that there is a "chance to win", tax receipts CANNOT be issued in accordance with CRA Guidelines. The winner would be getting an item in return for the cost of the ticket, therefore we are unable to provide a receipt.

I have donated personal services and need a tax receipt.

A tax receipt CANNOT be issued for any personal services rendered including but not limited to legal, entertainment, transportation, dining services or rental of vacation properties.

I paid for an admission ticket to an event; can I get a tax receipt?

Tax receipts CANNOT be issued for an admission fee or an entry fee for an event as the donor would be gaining an experience for the cost of the ticket or fee.

My company or my group of friends/family took up a collection to donate to The Dream Factory, can I get a tax receipt?

For each person that donated toward the collection, they can receive a tax receipt if their contribution is \$15 or more. The individual who is making the donation on behalf of the company or a group of friends/family cannot receive a tax receipt for the full collection amount, however, they can receive a tax receipt for their individual portion of the donation if it is \$15 or more.

I want to donate an item from my business. Do I receive a tax receipt?

The Dream Factory is able to provide "gift-in-kind" letters for the donations of goods from businesses or individuals. These letters can be used to support business promotion expenses. Gift-in-Kind receipts will only be issued to individuals for material goods, if the goods are new and original and a receipt or invoice from the purchase accompanies the request for a receipt.

I have art I would like to donate. Do I get a tax receipt?

Gifts of artwork, collectibles, or items of a unique nature must be accompanied by a recent independent appraisal, if the gift is valued to be \$1,000 or greater. Gifts of art donated by artists and art dealers are seen as disposition from their inventory and therefore are not eligible for an income tax receipt. However, The Dream Factory can provide a gift-in-kind receipt subject to other criteria.

For further information, please contact The Dream Factory staff at 204-989-4010 or visit the Canada Revenue Agency <http://www.cra-arc.gc.ca/chrts-gvng/menu-eng.html>