

TAX RECEIPT GUIDE

United Way of the Alberta Capital Region

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Donation types and tax receipt eligibility

United Way of the Alberta Capital Region issues tax receipts for donations in accordance with regulations set out by the Canadian Revenue Agency (CRA).

Each registered charity sets a minimum donation amount to qualify for a tax receipt; United Way's minimum donation is \$10. While there are many ways to support United Way, only some donations may qualify for a tax receipt.

If you are a workplace campaign volunteer, please do not guarantee your fellow employees or your vendors a tax receipt unless you have confirmed that the specific donation type qualifies by referencing this guide or by asking for preapproval.



PLEASE NOTE: In addition to the following criteria, United Way must have the donor's full name and home address in order to issue a tax receipt. Donations that meet the following criteria but do not include the donor's full name and home address will not be issued a tax receipt.

Donation types

Individual or corporate monetary donations: These gifts are considered a regular donation via cash, cheque, credit card, preauthorized debit, or gifts of stock. (Employees of a workplace campaign who give via payroll are eligible for a tax deduction for their charitable contributions, however a tax receipt won't be issued by us as the deduction will appear on the employee's T4 tax slip from their employer.)

Special event monetary donations: This includes donations from individuals at a workplace fundraising event. The majority of funds raised through special events are not eligible for a tax receipt as the individual receives something in return (e.g. auction item or dinner). Please continue through the guide to see if your fundraising event qualifies for a tax receipt or not.

In-kind donations: These are contributions of physical items that support a United Way initiative (such as a coat donation for Coats for Kids and Families) or a physical donation of an item that supports a United Way fundraising event (such as a raffle prize or silent auction item). Some in-kind donations are eligible for a tax receipt, while others are not. Please continue through the guide to see if your in-kind donation qualifies.

Auction purchases: Most items purchased at an auction do not qualify for a tax receipt, as there is an exchange of value received by the auction winner. However, there are two exceptions to this rule: when the item being purchased is considered to have nominal fair





market value, or when the purchase price is 25 per cent above fair market value. Please refer to the 'Auction Purchases' section later in this document for more details.

Raffle cash prize donations: If the lucky winner of a United Way raffle cash prize chooses to donate some or all back to United Way, that donation portion is eligible for a tax receipt. However, the purchase of raffle tickets are not eligible for a tax receipt as there is a chance to receive something in return.

Corporate sponsorship: Corporate sponsorship of United Way affinity groups qualify for a tax receipt, but sponsorship of United Way initiatives, events, or other opportunities where the donor receives brand promotion does not.

Individual and Corporate Donations

Individuals and corporations who make charitable donations in Canada receive some of the most generous tax benefits in the world, and Alberta is a provincial leader in this area as well. As a result, as much as 50 per cent of the value of your charitable gifts comes back to you at tax time.

Tax Benefits	Everyday Hero	Leader of the Way	Leader of the Way	Pathfinder
Annual Donation	\$365	\$1,200	\$5,000	\$10,000
Alberta Tax Credit	\$54.65	\$230	\$1,028	\$2,078
Federal Tax Credit	\$77.85	\$320	\$1,422	\$2,872
TOTAL Tax Credit	\$132.50	\$550	\$2,450	\$4,950

The above chart provides examples of available charitable tax credits based on an annual taxable income of less than \$200,000. Please visit Canada Revenue Agency's website or speak to a financial advisor for a detailed analysis of how tax credits can apply to you.





Workplace Fundraising Events and Special Event Donations

How to request a tax receipt for a special event

If the donation qualifies for a tax receipt and you submitted your payment electronically through United Way digital fundraising platforms such as @work, Classy, or an auction site, your tax receipt request will be automatically submitted for you.

If the event qualifies for a tax receipt and you submit your payment in person, with cash, debit or credit through a hand-held machine, or a cheque, then the event coordinator will need to complete the special event tax receipt form.

- Ensure the event description, as well as the name and contact information for the event coordinator has been filled out.
- Include the full name, home address, and email of the donor as well as donation amount.
- The event coordinator and the donor must sign the receipt.

Examples of special events that qualify for a tax receipt

There are a handful of situations where a tax receipt can be issued for a special event for workplace fundraising.

Dares or challenges

Events where individuals pledge a donation to see someone else participate in a dare or engage in a challenge qualify for a tax receipt as there is nothing of monetary value received by the donor for pledging for an individual to participate, this shows the intent behind their gift is a true donation. The tax receipt is issued to the contributor, not the person carrying out the dare or participating in the challenge.

Examples include:

- Pie throwing
- Head shaving
- Dunk tank
- Jail-n-Bail
- Chicken wing eating contest
- Ice bucket challenge
- Run / walk / bike / Stair climbs





Casual or theme days

Special events such as “jeans day” or “ugly tie day” qualify for a tax receipt as wearing casual, themed, or silly clothes doesn’t represent an equal exchange of value for the money. This shows the intent behind the gift is a true donation.

Voluntary donations over and above entrance / participation fees

There must be a clear delineation at the onset of advertising the event as to the amount of the entry fee that is considered fair market value for the benefit being received and verbiage outlining that any amount given above that threshold is eligible for a tax receipt.

A common example of this is entry fees for participating in a golf tournament. To qualify for a tax receipt, event advertising must make it clear that there is a specified portion to cover the golf fees and a specified portion as a donation (for example: \$150 to enter: \$100 for golfing and \$50 as a donation). The key is to ensure that the amount eligible for a tax receipt is over and above fair market value for what it would actually cost to play golf.

If a workplace decides to pay a portion of the costs and is asking the participant to pay the remaining portion of the cost plus a donation, the participant is still only eligible for a tax receipt above fair market value, regardless of who paid. Using the above example where a golf game costs \$100 fair market value, but the employer is paying \$50 and they are only asking the participant for \$100, \$50 for the remaining golf fee and \$50 as a donation, they are still only eligible for a \$50 tax receipt as that is the portion above fair market value.

Examples of special events that don’t qualify for a tax receipt

Most contributions to a special event are not eligible for a tax receipt, as the individual receives something in return.

Entry fees paid by the participant for an event

This isn’t eligible for a tax receipt because the participant receives a benefit from joining in or having the potential to win the event. There is an exchange of value for money, as opposed to a true donation.

Examples of this include:

- Yoga class
- Paint night
- Terrarium build class
- Jewelry making class
- Movie night
- Concert

Purchases at a United Way workplace event





These purchases do not qualify for a tax receipt because the individual received something in exchange for money; therefore, they are deemed purchases, not donations.

Examples of this include:

- Winning auction bid for an amount less than or equal to the fair market value.
- Cookbook sales
- Food purchased and consumed (such as: pancake breakfast, ticketed cooking competitions, bake sales, etc)

Contests or games where the participant pays money for a chance to win a prize

This category isn't eligible for a tax receipt because the intent of the person playing is to hopefully win.

Examples of this include:

- Raffles (such as: 50/50s, prize draws, wine survivor, chase the ace, etc.)
- Trivia games
- Guessing the quantity of items in a jar

Events where money or items are pooled together

When donations are pooled together, receipts can't be issued because ownership can't be determined.

Examples of this are:

- Contributions of loose change to an office change jar
- Bottle drives where items are collected and pooled together
- NOTE: If the bottle drive is conducted through Skip the Depot, there is a way to determine how much each person contributed. In that case, donors are eligible for a receipt.

In-Kind Donations

How to request a tax receipt for an in-kind donation

If an in-kind donation qualifies for a tax receipt, both the donor and the event coordinator will need to complete the gift-in-kind tax receipt request form. Include the signatures of both the person completing the form and the event coordinator. The donor's full name and home address must also be included.





Ensure your store receipt or online payment showing proof of purchase is submitted with the tax receipt request form. A tax receipt cannot be provided for the GST portion or gratuity on your purchase.

If cash donations are pooled with other people's cash to purchase a physical item, ensure everyone's names, and amounts are inputted into a single form to submit together. For example:

- If \$100 was pooled, but receipts submitted are only for \$80 of purchases and some receipts are missing, then only a combined total of \$80 in charitable receipts can be issued.
- A tax receipt cannot be provided for the GST portion of the purchase of an in-kind donation. If a group of 10 people pooled money to purchase a \$100 item for a raffle, with tax that item would come to \$105. However, only \$100 is eligible for a tax receipt. While the 10 people would all contribute \$10.50 to cover the price and the tax, they could only request a tax receipt for \$10 on the form, forfeiting the extra \$0.50 each.

Examples of in-kind donations that do qualify for a tax receipt

Newly purchased physical items that support United Way initiatives, such as:

- Care Kits (hygiene items, such as toothpaste, deodorant, soap, shampoo etc.)
- Coats for Kids and Families (coats and winter gear)
- Period Promise (pads, tampons, and liners)
- Tools for School (backpacks and school supplies)

Auction items and raffle prizes

Donations of physical items that support United Way fundraising initiatives such as auction items or raffle prizes qualify for a tax receipt. United Way categorizes auction and raffle prize items by donor type:

- **Individual:** If an individual donates an auction item or raffle prize valued under \$1,000, United Way will require a receipt for proof of purchase. For items valued above \$1,000 please email us for pre-approval at campaignsupport@myunitedway.ca.
- **Corporate:** If an auction item or raffle prize is donated by a company from their own inventory of merchandise, most often the business owner writes off the cost as a business expense. If tax receipt is requested United Way requires the business to provide an invoice marked "gift donation" for amount equivalent to the gift's fair market value and include that amount in business income. Please contact your tax accountant or CRA for more information.





Purchases directly related to workplace fundraising events

When workplaces host a United Way fundraising event, there can be expenses associated with the event. Many organizations allow for these costs as part of their annual United Way campaign budget. However, if a company requests reimbursement of those expenses or requests a tax receipt for the in-kind donation of those purchases, we can accommodate that.

In the following example, a workplace is hosting a barbecue, where staff purchase a burger for \$5 each and the proceeds come to United Way.

When the company organizing the event goes to a grocery store and purchases the food for the barbecue, they can either:

- deduct the cost of the food from the funds generated and submit the net difference as their fundraising total, or
- they can submit 100% of the proceeds and submit an in-kind tax receipt request form, with their proof of purchase, to be issued a tax receipt for the cost of the food.

However, if the workplace barbecue was a United Way education and engagement event that was free for participants to attend, it wouldn't qualify for a tax receipt, since no money was raised for United Way.

Examples of in-kind donations that don't qualify for a tax receipt

The CRA has strict rules about the types of donations that we are allowed to issue tax receipts for. The following are examples of items that don't meet CRA criteria.

Gift certificates or passes, for an experience that is donated by the vendor themselves.

These donations don't qualify because the redemption of the gift card by the third party (gift card holder) does not entitle the vendor (gift card issuer) to a tax receipt. Effectively, there has been no gift to the charity.

However, the vendor may be able to deduct the gift card amount as a promotional expense since the redemption of the gift card should be inventory of the vendor. (They should consult their own accountant.)

Examples include:

- Hotel donating a night at their property.
- Spa donating services for a treatment.
- Edmonton Symphony Orchestra donating tickets to their event.
- Escape Room donating passes to their facility.





Time, Talent, or Service donations

These donations don't qualify because they do not meet the legal definition of a transfer of ownership as the "gift" is not an actual piece of property.

Time donations: volunteering for a United Way event, such as participating in a day of caring. While United Way appreciates all the support from our volunteers, the exchange of time does not meet CRA requirements for a tax receipt.

Talent donations: when skilled people offer up their expertise, such a hairdresser offering a cut and colour service through an auction in support of United Way. While this service does bring in a monetary donation for United Way, the exchange of value doesn't include an exchange of property and doesn't meet CRA requirements for a tax receipt.

Service donations: like talent donations but can also incorporate the use of an item. For example, if a property owner who typically rents out their premises offers up the use of their property for a few days through an auction or fundraiser in support of United Way. CRA considers it a gift of service (use of premise) rather than a gift in kind since there was no transfer of property.

Catering services are considered a service donation and don't qualify for a tax receipt. For example, when a workplace asks a caterer to provide food for their employees for their United Way event. This donation doesn't qualify for a tax receipt because the food wasn't a donation to United Way, it was a donation to the workplace's employees.

Discounts on products or services: Other times businesses will offer a discount since they are providing food for a United Way workplace event, and they will want a tax receipt for that discounted portion of revenue they are forgoing. However, discounts don't qualify for a tax receipt.

Door prize donations: These donations don't qualify for a tax receipt. The item donated doesn't generate funds, since separate tickets aren't sold to participate in the door prize draw and instead participation is included in the entry fee.

Auction Purchases

Almost all items purchased at an auction do not qualify for a tax receipt, as there is an exchange of value received by the auction winner. However, there are exceptions to this rule when one factors in Fair Market Value of the item.





For example, if someone bids on a donor's personal cabin for a weekend, this item will qualify the purchaser for a tax receipt because the Fair Market Value of that cabin is effectively \$0. If they bid on a Ski getaway at a lodge, you can determine the Fair Market Value of the getaway, if the bidder's accepted offer is less than the deemed value, this will not qualify for a tax receipt.

If an auction bidder bids more than 25 per cent above the fair market value of the item, and the item's fair market value is less than \$1,000, the purchaser is eligible to receive a tax receipt for the portion over and above the fair market value. For example, if someone buys a laptop worth \$800 at a fundraising auction for \$1,000, the \$200 portion above Fair Market Value is eligible for a tax receipt.

Raffle Cash Prize Donation

The winner of a United Way raffle cash prize may choose to donate some or all back to United Way, which is eligible for a tax receipt.

If this was an in-person raffle, when the raffle chairperson provides the revenue to United Way via cash, cheque, or EFT, they must inform United Way that the money includes the raffle proceeds as well as the winnings (which are being donated to United Way) and include the winner's name and email address so a receipt can be issued.

If the raffle took place online via Rafflebox, United Way must pay out the proceeds. The winner may then donate the funds back to United Way. This is a requirement per United Way's financial and administrative processes.

Corporate Sponsorship

Corporate sponsorship of affinity groups such as Engineering Challenge, Heartland Challenge, or Financial Pathways Collaborative qualify for a tax receipt, as the money is being used to operate the program.

Sponsorship of United Way programs, initiatives, or events such as Make your Mark, All in for Youth, or Red Tie Gala doesn't qualify for a tax receipt, as there is an exchange of value through marketing and brand promotion.





Appendix A: Quick Reference Chart

Special event and workplace fundraising

Donation Description	Tax Receipt Eligibility?
Sponsoring a participant in a dare or challenge.	Yes
Participating in a dare or challenge.	No
Casual days like "Jeans Day" or "Ugly Tie Day".	Yes
Entry fees paid by the participant for an event.	No
Voluntary donations over and above entrance or participation fees.	Yes
Purchases at a United Way workplace event, such as a barbecue lunch.	No
Contests or games where the participant pays money for a chance to win a prize.	No
Events where money or items are pooled together, and the owner of the money can't be identified.	No

In-kind donations

Donation Description	Tax Receipt Eligibility?
Physical items that support United Way initiatives like Care Kits, Coats for Kids and Families, etc.	Yes
Purchases directly related to the expense of hosting a workplace fundraising event.	Yes
Purchases for an education and engagement event that is free for attendees.	No
Discounts on products or services.	No
Door prize donations.	No
Time, Talent, and Service donations.	No





Auction and raffle donations

Donation Description	Tax Receipt Eligibility?
Donations of physical items or gift cards that are purchased by an individual with a store purchase receipt.	Yes
Gift Certificates or passes donated by the vendor themselves.	No

Auction and raffle purchases

Donation Description	Tax Receipt Eligibility?
When the winning auction bidder pays 25% or more above Fair Market Value.	Yes
When the item being purchased is considered to have no Fair Market Value.	Yes
Raffle ticket purchases.	No
Winner donating part or all the cash prize back to United Way.	Yes

Corporate sponsorship

Donation Description	Tax Receipt Eligibility?
Sponsorship of Affinity Groups such as Heartland Challenge, Engineering Challenge, etc.	Yes
Sponsorship of programs, initiatives, or events such as Make your Mark, Red Tie Gala, etc.	No





Appendix B: Frequently Asked Questions

What is Fair Market Value?

The CRA defines fair market value as: 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 both knowledgeable, informed, and prudent, and who are acting independently of each other. If an item is marked down on sale, then the new lower sale price becomes the fair market value.

Can I ask for a pre-approval to determine if my donation qualifies for a tax receipt before I make the donation?

Yes, please email campaignsupport@myunitedway.ca with the supporting details. They will review and send you an email advising you if the donation qualifies for a tax receipt and if eligible, what is required to support the request.

When will I receive my charitable tax receipt?

If you have made a single donation in a calendar year, your tax receipt will be issued within five business days of your donation.

If you have elected to have your donation spread out over multiple payments throughout the year, then to maximize efficiencies and provide a better service to our donors, all charitable giving will be consolidated on one tax receipt and will be issued by February of the following year.

How will I receive my charitable tax receipt?

If you made your donation online or in person and provided your full name, email, and home address, you will receive your tax receipt by email.

If you made your donation in person and provided a physical mailing address, you will receive your tax receipt in the mail via Canada Post.

If you made your donation via payroll, no tax receipt will be issued by United Way. Instead, the deduction will be noted on your T4 slip.

