

## **CROSS-COUNTRY SKI DE FOND CANADA CHARITABLE DONATIONS POLICY**

### **Preamble**

1. Cross-Country Ski de fond Canada (CCC) is a Registered Canadian Amateur Athletic Association (RCAAAA), which is defined as having "as its major purpose and its primary function, the promotion of amateur athletics in Canada on a nation-wide basis." As such, CCC can issue income tax receipts for charitable donations. There are certain rules established by the Canada Revenue Agency (CRA – formerly Revenue Canada) regarding charitable donations, which must be respected if CCC is to retain its ability to issue tax receipts.

### **Purpose**

2. The purpose of the CCC Charitable Donation Policy is to ensure that CCC benefits from its status as a Registered Canadian Amateur Athletic Association, while at the same time respecting CRA provisions so as to protect this privileged status.

### **Summary of Key CRA Criteria – A Background to the Policy**

3. **General (References: IT-1110R3, IT-297R2, IT-244R3)**
  - a. Donations are gifts - a voluntary transfer of property to a charity.
  - b. The property is usually cash, but may involve in-kind items such as capital property, personal property, an interest in property, a share, etc. but does not include services. Gifts-in-kind or capital goods require determination of fair market value.
  - c. The transfer carries no expectation of benefit to the donor or to anyone designated by the donor (unless the benefit is of nominal value).
  - d. Contributions of services (time, skills, effort) are not considered property and do not qualify as gifts.
  - e. Life insurance policies may qualify as gifts.
4. **Receipts-Issuing Policy for Canadian Amateur Athletic Associations (7 Feb 95)**
  - a. The gift must be made to the RCAAAA, without any implied or express condition or understanding that it be transferred to a local club or other beneficiary.
  - b. There can be an agreement whereby local clubs raising funds receive back a percentage of the funds raised for activities consistent with the national overall purpose. The specific percentage must not form part of the solicitation or any agreement with a donor. Local clubs that receive such funding should account for the use of the funds and list the names of all athletes that receive subsidized training.
  - c. A significant amount of the funds raised should be retained by the national body for its own use, for contingencies, or to re-distribute to other clubs. Simply charging an administration fee is not considered acceptable.
  - d. Charitable status may be revoked if the national body accepts a gift that is conditional on making a donation or payment to another person, society, club, etc.
5. The CRA permits the following:
  - a. A charity may pay for services and later accept the payment or a portion of the payment as a gift, provided it is given voluntarily. A key element to establish a gift is an exchange of cheques.

- b. Donations can be directed to particular programs of a charity, provided that no benefit accrues to the donor or to any person connected to the donor, and the charity decides how to use the gift.
- c. A national body may fund its member groups, as opposed to simply issuing receipts for gifts intended for those groups. This funding should be directed towards achieving the national body's mandate.

## **CCC Policy**

- 6. CCC will issue tax receipts for donations made to CCC. All cheques must be made out to CCC. The donation must be received to the Canmore office on or prior to December 31<sup>st</sup> of every year in order for the tax receipt to be issued within the same fiscal periods.
- 7. Donors may indicate an intention that their donation be used for a purpose or program related to the national objectives and mission of CCC. CCC will make every effort to meet this intent but has sole discretion in the use of donated funds.
- 8. CCC will accept proposals made by provincial and territorial ski associations/divisions and by individual ski clubs for projects that they wish to undertake with support from CCC. Proposals should indicate the nature of the project and how any funding from CCC will be used. The proposal must clearly show the linkage between the project and the national objectives and mission of CCC. In general, projects which provide support for the development of athletes (e.g. Jackrabbits, national level or provincial level athletes, both able-bodied and disabled) with the hope that they will acquire the skills to become part of the National Teams will satisfy this criterion. Contributions in support of national training centres, equipment, facilities and programming that support the national development of cross-country skiing in Canada are consistent with this intent. The proposals may cover short term or longer-term projects, and may remain valid for up to two years unless otherwise agreed between the parties
- 9. CCC will attempt to support and fund these proposals, and may use a portion of the funds donated to it, at its discretion, for that purpose. Annual reports on the use of the funds provided to support an approved proposal will be required prior to any subsequent funding. Reports must include a description of the activities undertaken and the associated costs, how this relates to the approved project proposal, other sources of funds for the project, where the CCC funds were used. CCC will audit the expenditures associated with the project.
- 10. CCC will use donations raised in a particular geographical area or in a specific fundraising campaign to fund approved projects in that area, provided that all other conditions for donations are met.
- 11. Fundraising campaigns must be approved in advance by CCC and meet the criteria listed below, in order to ensure that CCC has sufficient information to determine if a tax receipt can legitimately be issued.

CCC will not issue tax receipts for donations that do not serve the national mandate or do not meet CRA criteria. The following examples illustrate situations that would generate concern that CRA criteria are not being met, and hence would be unlikely to receive a tax receipt without supporting information:

- 12.
  - a. a series of donations of the same amount from a club or area. This would suggest that the amount is a fee or "required donation" unless there is proper documentation of the associated fundraising campaign; and/or

- b. a donation directed to a club camp where a relative of the donor is one of 10 to 15 athletes participating (especially if the relative then received a reduction in the camp fee).
13. CCC will not lend its registration number and receipt-issuing authority to another organization.

### **Procedures for Project Proposals**

14. Proposals for projects should be submitted to the appropriate Division office for approval at the Division level, and then forwarded to CCC for approval and potential funding. Proposals should be submitted and approved before fundraising efforts commence.
15. Proposals for projects that are submitted directly to the CCC office will be forwarded to the appropriate Division office for approval and forwarding to CCC for approval and potential funding
16. For approved projects that receive funding support from CCC, funds will be transferred from CCC to the Division and then to the club or directly to the club. An annual report on the use of the CCC funds will be required before further funds are provided.

### **Procedures for Fundraising Initiatives**

17. The CRA clearly will not allow tax receipts to be issued where donations are dedicated or directed to specific individuals. This limits the potential for individual donation programs to support programming activities such as training camps and competitions trips. If a corporate donor/sponsor requires, as a condition of their support, to have a tax receipt issued then that can be arranged in the name of the corporation. Cross Country Canada will not entertain such projects that solicit individual donations. CCC will however support the raising of funds that provide for the employment of a full time or part time coach. Donations from relatives of athletes who will be coached by this individual will not be eligible for tax receipts. The intention of this support is that donations would be sought from outside the club and into the broader community and this strategy would be clear from the details requested in section 18 below.
18. In order to avoid a situation occurring where a fundraiser has promised a tax receipt but CCC is subsequently unable to issue one, prior approval by CCC of fundraising initiatives is required. Tax receipts will not be issued without this prior approval. The information required to approve a fundraising initiative includes:
- a. Who will do the solicitation?
  - b. What is the target group that will be solicited?
  - c. How will they be solicited (personally, telephone, e-mail)?
  - d. What is the fundraising pitch?
  - e. What is the solicitation target amount?
  - f. What are the funds to be used for? If specific athlete events are involved, what are they? Are the participants in the specific events known at the time of the fundraising?
  - g. What is the minimum amount required for participation in the fundraising event?
  - h. What is the time frame of the initiative?

### **General Administration**

19. Correspondence regarding this policy or the procedures for implementing it should be directed to the Director of Administration and Communication at the CCC National Office.