

OPERATING POLICY Number 9

Non-Cash Donations

Part I – Purpose

The purpose of this Operating Policy is to establish the process for accepting non-cash donations and issuing official receipts for Income Tax purposes.

Part II – The Policy

1. Any person who wishes to donate any goods or services to Kehillat Beth Israel Congregation (the Corporation) shall make their intention known to the Executive Director.
2. No Director, Officer or Clergy shall enter into an agreement, or bind the Corporation to accept any donation of goods or services or provide an official receipt for Income Tax purposes in exchange for such donation of goods or services.
3. Only the Executive Director may accept a donation of goods or services on behalf of the Corporation.
4. The Executive Director shall not accept a donation of goods or services unless such goods or services are in the interests of the Corporation and support the mandate of the Corporation.
5. Except as set out in this Operating Policy, the Corporation shall not issue any official receipts for Income Tax purposes for non-cash donations.
6. The Executive Director may cause the Corporation to issue an official receipt for Income Tax purposes in an amount up to the fair market value of the goods or services donated provided:
 - a. In the case of a good,
 - i. the Executive Director possesses sufficient knowledge of the value of the good, or with the advice of an individual with sufficient knowledge of the value of the good, determines that its fair market value is less than \$1,000; or
 - ii. if the fair market value is expected to be more than \$1,000, the good must be professionally appraised by an independent third party (that is, someone who is not associated with either the donor or the Corporation) who shall address their appraisal to the corporation. The name and address of the appraiser must be included on the official receipt for Income Tax purposes;

- b. In the case of a service,
 - i. the Corporation may issue an official receipt for Income Tax purposes if the person provides a service to the Corporation, the Corporation pays for the service, and the person then returns the payment as a gift;
 - ii. the transaction must proceed by way of an exchange of cheques. This ensures the presence of an audit trail, as the donor must account for the taxable income that would be realized either as remuneration or as business income; and
 - iii. the Executive Director shall price comparable services and shall be satisfied with the value of such donated service,

and, in either case, the Executive Director shall forthwith after the donation is accepted, fully document in the Records of the Corporation the name of the donor, the fair market value of the non-cash donation, the name of the appraiser, if any, the reason the good or service is needed by the Corporation, the reason the good or service supports the mandate of the Corporation, and justification for the fair market value of such good or service.

- 7. Donated goods become the property of the Corporation and may, subject to the *Canada Not-for-Profit Corporations Act*, Operating By-law No. 1 and any other Operating Policy, be used, displayed, or disposed of at the discretion of the Executive Director.
- 8. Volunteers who incur authorized expenses on behalf of the Corporation shall be reimbursed by cheque and may donate the funds back as a gift to receive an official receipt for Income Tax purposes. The Corporation shall not issue an official receipt for Income Tax purposes in lieu of reimbursement.
- 9. The issuance of an official receipt for Income Tax purposes in respect of non-cash donations of goods or services for fundraising purposes (e.g. donation of hockey tickets for a raffle, donation of a painting for a silent auction, etc.) shall follow Canada Revenue Agency guidance that is in effect at the time.
- 10. The issuance of an official receipt for Income Tax purposes in respect of non-cash donations of cultural property, ecological gifts, or publicly traded stocks and securities shall follow Canada Revenue Agency guidance that is in effect at the time.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 9 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter – Secretary