

The Pugwash Peace Exchange and Tax Receipts

The Pugwash Peace Exchange tax receipting policy is based on the federal *Income Tax Act*, which is enforced by the Canada Revenue Agency (CRA). The Society must comply with this legislation in order to maintain our charitable status.

The Society's tax receipting policy specifies the circumstances in which tax receipts may be issued, and the kinds of contributions that are eligible for tax receipts. The underlying principle behind these policies is that if a donor receives a right, privilege, benefit, or advantage of any kind from a contribution to a charity, the donation is *ineligible* for a tax receipt. Particular applications of this rule are discussed in the FAQ below.

In accordance with our policy, the Society must have full control over the issuing of tax receipts. The Society must also have the opportunity to review and approve any event-related tax receipting issues in advance of the event, to ensure conformity with CRA guidelines.

Q&A

Are personal monetary donations tax receiptable?

Yes. Any personal monetary contribution to the Society with no benefit to the donor is eligible for a tax receipt. Funds should be made payable to the Pugwash Peace Exchange Society. Funds and donor contact information must both be received by December 31 of the year in order for the Society to issue a charitable tax receipt for that tax year. Receipts will be issued for the following tax year if the donation & donor information is received after December 31.

What about memberships, ticket and admission prices?

The CRA states that tax receipts cannot be issued when the individual is receiving something in return. In the case of a community event, this may include dinner or other event.

Are corporate sponsorships tax receiptable?

No. Sponsorships are viewed by the CRA as a business agreement providing commercial benefit to the sponsoring organization, and are therefore ineligible for tax receipts. Upon request, the Society will provide sponsors with a letter of acknowledgment.

Are donated services tax receiptable?

No. The CRA states that donated services are ineligible for tax receipts.

Are in-kind donations tax receiptable?

No. The Organization does not issue tax receipts for in-kind donations for community events. It is more advantageous for a company to write off donated items, including donated auction items, as charitable business expenses. Upon request, the Society will provide in-kind donors with a letter of acknowledgment.

What about items purchased at an auction? Or merchandise purchased in support of the Foundation?

Purchased items, including auction items, are not eligible for tax receipts as the purchaser is receiving something in return for their money.

With whom do I speak at the Pugwash Peace Exchange to discuss tax receipts?

For more information about tax receipt issues, please contact Ann Jeffreys, Project & Office Administrator, at 1-902-243-2328 or email ann@pugwashpeaceexchange.org.