

September 11, 2003

FIELD HOCKEY CANADA
TAX RECEIPTS POLICY

Goal

To appropriately acknowledge donations to Field Hockey Canada (FHC), as a charitable organization in accordance with Canada Customs Revenue Agency (CCRA) requirements.

Introduction

FHC is able to provide Charitable Receipts to individuals or companies donating funds due to status as a Registered Amateur Athletic Association. The Board of Directors of FHC has the responsibility to manage the operations of the program and ensure that there is not a violation of CCRA tax laws. The following policy explains the process that will be utilized for all donations.

FHC can only issue tax receipts for gifts or donations which are not, expressly or impliedly, conditional upon the Association making a gift or donation to another person, club, society or association. Charitable receipts cannot be provided to individuals or companies who specify that they are giving a donation for the benefit of a particular club or local program. Donors may state a preference as to the national program to which the funds should be applied such as club assistance, national competitions, national team (men, women, junior), etc.

All funds will be applied at the discretion of the Board of Directors. Cheques for donations must be made payable to FHC.

If a local fundraiser for FHC, such as a dinner, results in money or cheques being received locally, the club Treasurer should accumulate all donations to FHC and document the names of the individuals or companies. The information FHC requires prior to issuing tax receipts to donors is contained in Appendix I. (**Appendix I** – Information Clubs and Provincial Sport Associations must provide to FHC)

FHC will deposit all cheques upon receipt and issue Charitable Tax Receipts. The date written on the tax receipt will reflect the day the donation was received at FHC's National Office. FHC's National Office personnel will complete the donation receipt onto the Taxable Receipt and send all completed receipts to the Club Treasurer for final distribution. The Club Treasurer will be responsible for distributing the tax receipts to donors unless otherwise arranged with the FHC National Office.

Note: If any consideration has been received by the donor as a result of his/her donation, i.e. dinner, team t-shirt, etc., the value of the consideration must be deducted from the amount donated in determining the amount to be receipted.

Lost or Damaged Receipts

FHC will provide a replacement receipt if the original was lost or damaged. The Club Treasurer would write the FHC office specifying the details of the loss and requesting replacement copies. FHC would issue new receipts and specify on these receipts that this replaces the original lost or damaged receipt number. This is in accordance with CCRA guidelines.

Gifts in Kind

If a donation is not of money, but of an asset, such as a piece of audiovisual equipment, an independent valuation will be obtained and a tax receipt issued for the amount of the valuation

Expenses

If an individual, entitled to reimbursement of expenses, gives up that right as a donation, a tax receipt will be issued in the amount, which would otherwise have been reimbursed on presentation of original receipts. For example, out-of-pocket costs will be reimbursed within the guideline limits set out on the FHC expense claim form. (**Appendix II – FHC Expense Claim Form**) Those who choose not to be reimbursed are entitled to a tax receipt, which will be issued on production of expense receipts within the guideline limits set out on the FHC expense claim form. No receipt can be given for time incurred or for income foregone.

National Team Fundraising

As not all National Team events and competitions can be covered by FHC's annual budget, it is sometimes necessary for National Team athletes to assist in fundraising to cover the cost of travel, accommodation, and other event costs. In order for FHC to be able to issue tax receipts to individuals or corporations who contribute to these fundraising endeavours, some very strict rules must be adhered to.

As stated in the Tax Receipts Policy, FHC can only issue tax receipts for gifts or donations which are not expressly or impliedly, conditional upon the Association making a gift or donation to another person, club, society or association.

Tax receipts cannot be provided to individuals or companies who specify that they are giving a donation for the benefit of a particular individual.

If any consideration has been or will be received by the donor as a result of his/her donation (i.e. dinner, T-shirt, etc.), the value of the consideration will be deducted from the amount donated in determining the amount to be receipted for tax purposes.

- If the dinner is combined with a lottery, no tax receipt can be issued.
- If the dinner is associated with a draw or door prize, a calculation needs to be made.

(**Appendix III – Example of Fund Raising Dinner Calculation**)

All cheques must be made payable to Field Hockey Canada.

The date written on the tax receipt will reflect the day the donation was received at the FHC National Office. This date will determine which year the donation may be claimed by the donor for income tax purposes. If undue delays occur, and donations are received by the National Office in the year following the donation, receipts cannot be modified to reflect the day payments were issued by the donor.

If tax receipts are to be issued for donations, the fundraising initiative must be approved by the National Office in advance in order to ensure that it complies with CCRA tax laws. Tax receipts will not be issued to donors without this prior approval. Please see the information required by FHC for approval in Appendix IV.

(Appendix IV – Information for FHC Approval of a Fundraising Initiative)

Staff at the National Office in Ottawa will be happy to assist with any fundraising initiatives undertaken by National Team athletes and may be contacted to clarify any of the above information.

Athlete Incentives

FHC's Board of Directors has approved the establishment of an athlete incentive Program (Adopt A Team Program - AAT) to which donors will be able to make gifts and which can be supported by contributions from sponsors and the National Team Development Fund. Awards out of the AAT program will be decided by the National Coaches on the basis of annual high performance plans and budgets as approved by the Board of Directors.

Approved by the Board of Directors
September 9, 2003

Revised November 2006

APPENDIX I

INFORMATION CLUBS AND PROVINCIAL SPORT ASSOCIATIONS NEED TO PROVIDE TO FHC

- list of donors' names and addresses;
- evidence supporting how the fundraising was done (Who solicited each donor? What were the donors told? Description of the fundraising activity);
- list of athletes' names and addresses (Is the donor related to participant?);
- how these payments were recorded, used or is planned to be used (e.g., projection of expenses; description of the nature of the expenses; time frame) by the provincial associations and clubs;
- correspondence with the donors relating to these gifts;
- list of activities/training/competitions in which a person related to the donor has participated during the year the gift was issued; and any additional documentary evidence supporting the nature of the above contributions establishing that the club or association thoroughly reviewed the circumstances of the gift prior to issuing a receipt;
- copy of the cheque received;
- has the donor made a gift in previous years ? Were gifts only made when a related person was a participant ?
- is there a pre-set fundraising requirement ? (the amount that the athlete is expected to come up with - which would likely not qualify as a gift since it is more like a fee);
- are funds collected dedicated to a specific athlete (a trust for the athlete)? This would likely negate a gift;
- no pattern of same amounts should be receipted unless it is fully explained;
- any significant donation by individuals should be scrutinized as to the circumstances of the gift. (significant could be defined as anything over \$100...);
- no donation tax receipt should be issued in circumstances where someone uses a third party to "sanitize" a gift (e.g., a parent making a gift to another parent's child and the reverse).

In order to see if a donor implicitly meant his gift to benefit a specific person, a great deal of information needs to be collected.

As FHC has the discretion not to issue tax receipts if they deem that there are indicators funds are being directed, clubs and PSOs may wish to simplify things, by taking the stance that no gifts by a related party will be receipted.

Further information and guidelines can be found on the CCRA web site at <http://www.ccr-aadrc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.html>

FHC will reserve the right not to issue a tax receipt if adequate information on the fund raising event, donor, etc., are not provided.

APPENDIX II**FIELD HOCKEY CLAIM FORM****NAME:****ADDRESS:****CITY:****Province:****Postal Code:****EVENT:****LOCATION:****DATE:**

AIRFARE:(Provide Details) -
 (Receipt Required for Reimbursement)

MILEAGE: kms x \$0.22/km –

ACCOMMODATION: \$/ngt x # of Ngts -
 (Receipt Required for Reimbursement)

MEALS: (Domestic \$25/day; International \$50/day)

Breakfast # x \$4.00

(Note: Do not claim for meals
 when a meal is provided)

Lunch # x \$6.00

Dinner # x \$15.00

TOTAL MEALS –

TAXI/PARKING: -

(Receipts Required for Reimbursement)

OTHER:(Please list)

(Receipt Required for Reimbursement)

-

-

-

-

TOTAL EXPENSE CLAIM

Mail to: Field Hockey Canada
 2197 Riverside Dr., #302
 Ottawa, ON K1H 7X3
 Email to: khare@fieldhockey.ca

(Original with receipts must be received
 prior to processing for payment)

Nov 2001

APPENDIX III

EXAMPLE FUND RAISING DINNER CALCULATION

The value of a comparable meal provided by a comparable facility will have to be ascertained. If the event were held at a restaurant, then the price the restaurant would charge a regular customer would be the comparable value. In this regard, it is acceptable to take into account group or banquet rates.

Generally, the right to participate in an auction to be held at the dinner will not be viewed as constituting an advantage.

Example:

A charity holds a fund raising dinner for which 500 tickets are sold at a cost of \$200 each. A comparable meal could be purchased for \$100, excluding GST, PST and gratuities. The door prizes are a trip having a value of \$3,000 and jewellery having a retail value of \$500 (\$3,500/500 or \$7 per attendee). Each attendee receives a logo pen and key chain with an aggregate retail value of \$10.

Determination of eligible amount:

Ticket price	\$200
Less: meal	\$100
Eligible amount	\$100

As a result of applying the de minimis threshold, the value of the door prizes and the complimentary items received by a donor will not be viewed as an advantage in determining the eligible amount, since the total value of such prizes and items is \$17 per donor, which is less than the lesser of 10% of \$200 (\$20) and \$75.

In this case, the amount of the advantage is \$100, which is not more than 80% of the ticket price (\$160). Accordingly, a tax receipt may be issued for the eligible amount.

Further information and guidelines can be found on the CCRA web site at <http://www.ccra-adrc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.html>

Appendix IV**INFORMATION FOR FHC APPROVAL OF A FUNDRAISING INITIATIVE**

1. Who will do the solicitation?
2. Who will be solicited? Please describe the target group.
3. How will they be solicited? Door to door, telephone, e-mail.
4. What is the suggested fund raising pitch?
5. What is the solicitation target amount?
6. Explain what the funds will be used for, i.e., breakdown the projected expenses.
7. Is there a minimum amount required for participation in your event? If yes, what is it?
8. What is the time frame of the fundraising initiative?
9. Are the funds to be used for specific events/tournaments? If yes, which ones?
10. Are the participants to those specific activities financed known or selected at the time of the fundraising event?

If tax receipts are to be issued for donations, the fundraising initiative must be approved by the National Office in advance in order to ensure that it complies with CCRA tax laws.

Tax receipts will not be issued to donors without this prior approval.