



## **DONATION FUND PROGRAM**

Updated November 2006

## Donations to the Alberta Sport, Recreation, Parks and Wildlife Foundation

### Role of Alberta Sport, Recreation, Parks and Wildlife Foundation

The Foundation administers the Donation Fund, which can provide tax-deductible receipts for unconditional contributions to amateur sport or recreation in Alberta. Donations are only eligible for tax receipts if the donor or related party does not directly or indirectly benefit from the donation in any way other than the tax benefit.

As the umbrella organization for amateur sport and recreation in Alberta, the Foundation has established the Donation Fund Program to assist Provincial Sport and Recreation Associations in obtaining financial support. This program is established by the Foundation to help enlist donors to support sport and recreation development.

The Foundation provides this service without charging any administration fees. The full amount of each donation goes directly to the support of sport and recreation.

### Definition

*Gift/Unconditional Donation* – is a voluntary transfer of property without valuable consideration.

A gift is made if the following three (3) conditions are satisfied:

1. Property, usually cash, is transferred by a donor to a registered charity;
2. Transfer is voluntary; and,
3. Transfer is made without exception of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor.

### Donation Fund Process

A donor may provide a donation through the Foundation's Donation Fund Program if:

- The donor makes an **unconditional donation** to the Donation Fund Program. Although the donor may suggest that the donation go to a specific Foundation program in sport or recreation, it is unconditional in nature. The Foundation is not obligated to follow the suggestion of the donor.
- A completed letter as outlined in the Appendix must accompany each donation.
- The Foundation will review the Donation Fund on a monthly basis and will determine distribution of funds to the programs and clients of the Foundation. In disbursing funds, the Foundation will consider, but will not be bound by, the requests made by donors.
- The donor must **not** be related to any potential benefactor of the donation if he/she is to be eligible for a charitable tax receipt. Please see the limitations and conditions section for more information.
- The appropriate Provincial Association will receive funds once approved by the Foundation and the Minister of Community Development. The association will be required to account for the receipt and expenditure of the amount received to the Alberta Sport, Recreation, Parks and Wildlife Foundation in their annual financial reporting.
- The donor is issued a tax receipt.

### Tax Receipts

To obtain a tax receipt for your donation, the following process must be followed:

- The cheque is payable to the Alberta Sport, Recreation, Parks and Wildlife Foundation;
- The donation **must be** accompanied by a covering letter (in the Appendix). If this unconditional donation letter does not accompany the donation, the donation will be returned.
- Cheques, together with this covering letter, should be forwarded to

Alberta Sport, Recreation, Parks and Wildlife Foundation  
Donation Fund Program  
#905, 10405 Jasper Avenue  
Edmonton, Alberta T5J 4R7  
Attention: Colleen Dec

### **Limitations and Conditions**

The Foundation will not issue an official receipt for income tax purposes if the donor has directed the Foundation to give the funds to a specific person, family or team.

The Foundation may issue an official receipt for income tax purposes if the donor has suggested that the donation be used in a particular program supported by the Foundation provided that:

- no direct or indirect benefit accrues to the donor
- no direct or indirect benefit accrues to any person related to the donor (see below for a definition of related persons)
- the donation is unconditional and does not obligate the Foundation to follow the suggestion
- reciprocal donations (two or more unrelated individuals sponsoring each other's related persons) are not permissible

### **Definition of Related Persons**

#### *Individuals*

- Individuals are considered related if they are connected by blood, marriage or adoption.
- The Canada Customs and Revenue Agency interpretation bulletins discuss and describe many diverse and complex situations where individuals are related to one another. Only the more common and straightforward situations have been listed.
- A donation is considered non-arms-length if the donor falls into any of the categories listed below. Please be advised that this list is not all-inclusive - please contact Colleen Dec at (780) 422-8337 if you have further questions on this matter.
- Canadian Revenue Agency defines related parties as below:
  - Grandparents/grandmother-in-law/grandfather-in-law
  - Parents/mother-in-law/father-in-law
  - Siblings/brothers-in-law/sisters-in-law
  - Children born within a marriage
  - Children that have been adopted
  - Children that are wholly dependant on him/her
  - Stepchildren
  - Sons-in-law/daughters-in-law

#### *Corporations*

- Generally and simply, an individual is related to a corporation if the corporation is controlled by an individual related to him/herself.
- Control is most commonly defined by having a majority (over 50%) of the voting shares of the corporation.

### **Questions?**

Should you have any questions regarding the Donation Fund Program, please feel free to contact Colleen Dec at (780) 422-8337. A toll free connection is available through the Service Alberta Operator at 310-0000.

Alberta Sport, Recreation, Parks & Wildlife Foundation  
**Donation Fund Program**  
#905, 10405 Jasper Avenue  
Edmonton, AB T5J 4R7  
**Attention: Colleen Dec**

Enclosed please find our cheque, **payable to the Alberta Sport, Recreation, Parks and Wildlife Foundation**, in the amount of \$ \_\_\_\_\_ being an unconditional donation to the Donation Fund.

**\*Note: The minimum donation that will be accepted is \$250.00.**

**Corporate Donor**

- This donation is made without any express or implicit conditions, and without any rights, privileges or personal benefit accruing to the company as indicated below, its shareholders, or directors as a result of this donation.

**Individual Donor**

- This donation is made without any express or implicit conditions and without any rights, privileges or personal benefit accruing to me or those related to me as a result of this donation. The only benefit I will receive, having met these conditions, is a tax receipt.

**\*\*Note: The Foundation cannot accept donations that are intended to be provided to an individual or a specific sport or recreation club.**

Without limiting the unconditional nature of my donation, I would suggest that support be provided towards the sport or recreation of FOOTBALL through the following Foundation Program(s): (Please check at least one of the programs)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Athlete Development | <input type="checkbox"/> Coaching Development   |
| <input type="checkbox"/> Officials Development          | <input type="checkbox"/> Leadership Development |
| <input type="checkbox"/> Recreation Development         | <input type="checkbox"/> Facility Development   |

I understand that the Foundation is in no way obligated to follow this suggestion. If it is determined at a later date that the donation in some way violates Canada Revenue Agency's rules, the Foundation reserves the right to request the return of the tax receipt.

Sincerely,

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name of Donor (Please Print)  
\_\_\_\_\_  
Mailing Address  
\_\_\_\_\_  
City, Province and Postal Code

- I agree to have the donor name and the fact that the donor provided this donation to Alberta Sport, Recreation, Parks and Wildlife Foundation made public.
- I wish this donation to remain anonymous and do not wish to have the donor name made public.

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