



Tax Receipt Guidelines

Harmony House CARES is a non-profit, registered charity and must adhere to Canada Revenue Agency (CRA) regulations regarding the issuance of all receipts. Tax-deductible receipts are issued to donors who make gifts to charities. A gift is a transfer of cash, where the donor receives no benefit in return.

Harmony House CARES *can* issue income tax receipts under the following conditions:

- Gifts of money (whether made in cash or cheques) are eligible for a tax-deductible receipts for amounts equal to or more than \$25.00 CDN.
- Tax-deductible receipts will be issued to event participants and donors following the event, as long as Harmony House is provided with a list of full names and addresses of the individuals to be receipted, including the amount of the donation.
- If tax-deductible receipts are to be issued for in-kind donation of goods, this amount must be clearly identified and differentiated from the 'fair market value' (FMV) of the event. The FMV of goods given to a Harmony House is the amount that the donor would have received on the open market at the time he/she made the gift.

Harmony House CARES *cannot* issue tax receipts under the following conditions:

- Purchases of raffle tickets, admission tickets, and goods are not eligible for a tax-deductible receipt. This is because tax-deductible receipts can only be issued to those who have not received a benefit in consideration of their support.
- Harmony House cannot issue tax-deductible receipts for donated services, including hiring someone/thing for an event (e.g. set-up, entertainment, service providers).
- Both cash and in-kind sponsorships are not receipted. Under CRA regulations, sponsors cannot receive a tax-deductible receipt, as they are receiving benefits of commercial value for their sponsorship fee. Sponsors can deduct their sponsorship as a legitimate business expense as a public-relations or promotional expense. This applies equally to gifts of cash, goods, and services.