

Collecting donations

When collecting donations on behalf of STARS, you **must** track the following information:

- Donor's full name
- Donor's mailing address
- Donor's email
- Donor's phone number
- Donation amount
- Type of payment (eg. credit card, cash, cheque, etc.)

Additional tips:

- The total value of issued receipts cannot exceed the net proceeds of the events.
- A business receipt can be provided to sponsors or other corporate contributors as proof of payment. Most companies prefer to claim contributions as business expenses as there is a greater tax advantage for a business expense write-off than a charitable donation.

Individuals can give in the following ways

Donations and pledges

- If money or a "pledge" is given directly to STARS, in the form of a cheque or cash donation, then we can issue a charitable receipt to the person who gave the donation.

Auction purchases

- If someone purchases an item at an auction, they are receiving a benefit (the purchased item, as well as the opportunity to participate in the auction) for their money and thus a tax receipt will NOT be issued.
 - The exception to this is if someone purchases an item at an auction for 25% over the Fair Market Value of the item. If the item is a \$100 gift card and the purchaser pays more than \$125 for the item, a tax receipt may be issued for the difference (\$25).

Gift-in-kind donations

- Gift-in-kind receipts can be issued at lower of the fair market value or the cost of the material goods, if the donors acquired the goods less than three years before the gift date or if the donors acquired the goods with the intention to donate.
- If an individual donates an item, the donor:
 - Needs to complete the donation agreement form (you can get this from your staff partner).
 - Provide proof of cost of purchase.
 - Establish fair market value of the goods. For items used for auction at the event, the auction proceeds (highest bid) will be considered as fair market value.
- Have an independent third-party appraisal to value the item for those items not auctioned plus provide a purchase invoice or other proof of purchase.

STARS will be pleased to issue charitable tax receipts upon request in accordance with the rules and regulations of Canada Revenue Agency (CRA). Our strict adherence to these rules and regulations is crucial to protecting our charitable status. Tax receipts cannot be offered in the following situations:

Purchase of a ticket/entrance fee to an event

The person is receiving a benefit in return for the donation; thus, a tax receipt is not issued. However, a company purchasing tickets can receive a business receipt for the purchase price.

Donation of services

A tax receipt cannot be issued for any personal services including legal, entertainment, transportation, dining services or rental of vacation properties.

