

TIPS FOR DONATING WISELY

Charities raise funds to support the work they do in our communities. Your donations are very important to them. However, you should be cautious whenever making a donation.

- Be an informed donor. Gather information about the charity before you donate.
- Don't make a donation based on emotion or pressure. Take the time to research and think about your decision.
- Donate carefully. Write donation cheques to organizations, not individuals. Keep all your receipts.
- Beware of copycats. Sometimes fraudulent charities use names that are similar to well-known and respected charities. Make sure you know who you're donating to.
- If you have any concerns about the activities of a charitable organization including their fundraising practices, call Service Alberta: 1-877-427-4088.

BUYING A PRODUCT IN SUPPORT OF A CHARITABLE ORGANIZATION

Sometimes businesses or charitable organizations will sell a product or service (e.g. calendars, cookies) with a portion of the proceeds going to a charitable purpose. Find out how much of the price is going to the charitable purpose. In some cases it is a very small percentage.

FOR MORE INFORMATION

Service Alberta:

Visit the Service Alberta website at www.servicealberta.gov.ab.ca. Click on Charities.

Or call toll-free in Alberta: 1-877-427-4088

Canada Revenue Agency

Visit the CRA charities website at www.cra.gc.ca/charities. Click on the link Giving: Information for Donors.

For service in English, call toll-free 1-800-267-2384

For service in French, call toll-free 1-888-892-5667

**This brochure includes general information only and is not intended as legal advice.*

GIVING TO CHARITY: INFORMATION FOR DONORS IN ALBERTA

LAWS TO PROTECT DONORS IN ALBERTA

Service Alberta is responsible for provincial registration of charitable organizations.

Alberta's *Charitable Fundraising Act* prohibits charitable organizations and fundraising businesses from making false or misleading statements when asking for donations.

In Alberta, the law requires that charitable organizations and fundraising businesses provide information about their organization and fundraising efforts before they accept your donation.

REGISTERED CHARITIES AND TAX SAVINGS

The Canada Revenue Agency (CRA) regulates registered charities under the *Income Tax Act*.

Under the Act, donations to registered charities can help reduce your individual income tax.

Tax credits are calculated as a percentage of the amount you donate.

You do not have to claim all the donations you made this year on your current-year tax return. You can report them on your return for any of the next five years.

DONATION RECEIPTS

You must have a receipt to claim a tax credit for your donation.

As a donor, make sure your receipt includes the following information:

- a statement that the receipt is an "official receipt for income tax purposes"
- your name and address
- the name and Business Number/Registration Number of the charity
- the amount of the eligible cash donation or the fair market value of the non-cash donation and
- the date of the donation (the year is sufficient for donations of cash).

Alberta

 Canada Revenue Agency Agence du revenu du Canada

“We make a living by what we get, we make a life by what we give.”

–Winston Churchill

DO YOUR RESEARCH

- Check to make sure the organization is registered to fundraise in Alberta.
- Verify if it's registered with the CRA and therefore authorized to issue official receipts for income tax purposes.
- Be sure you understand and support its activities.

Before fundraising businesses and charitable organizations accept your donation, they must tell you

- the name of the charitable organization
- the cost of conducting their fundraising
- the dollar amount the organization plans to raise
- the charitable purpose donations will be used for
- corporate and business addresses of the charitable organization and the place of incorporation (if applicable) and
- the name and phone number of a contact person with the charitable organization.

If a charitable organization is using a fundraising business, it must tell you

- the operating and full legal names of the fundraising business
- how the fundraising business will be paid (i.e. a specific dollar amount or a percentage of the donations).

A charitable organization or fundraising business must provide the following information on request:

- a copy of the organization's most recent audited financial statement or financial information return (a reasonable fee may be charged for photocopying and postage)
- information about how and where the money will be spent
- the percentage of the gross donations that are spent directly for charitable purposes (and not for administration or other purposes).

SERVICE ALBERTA WEBSITE

Service Alberta's website has information for donors, charitable organizations and fundraising businesses.

Look for the tipsheet, *Information for Charities and Donors* and the information sheet *Charitable Organizations that Solicit Donations*.

Search the website to learn if a charitable organization is registered in Alberta and authorized to fundraise in the province.

Visit the Service Alberta website at www.servicealberta.gov.ab.ca.

CRA WEBSITE AND CHARITIES LISTINGS

The CRA website includes a useful resource called *Giving to Charity: Information for Donors*. This user-friendly tool provides information about tax savings, donation receipts, the regulation of charities and how to be an informed donor.

This resource also explains how to search the CRA's Charities Listings for information on a specific registered charity. The CRA Charities Listings is an online, searchable list of all the registered charities in Canada.

The listings can help you access the Registered Charity Information Return for a particular charity. The return includes contact information, a description of the charity's activities and financial information such as income, expenditures, assets and liabilities.

Visit www.cra.gc.ca/charities to search the listings.