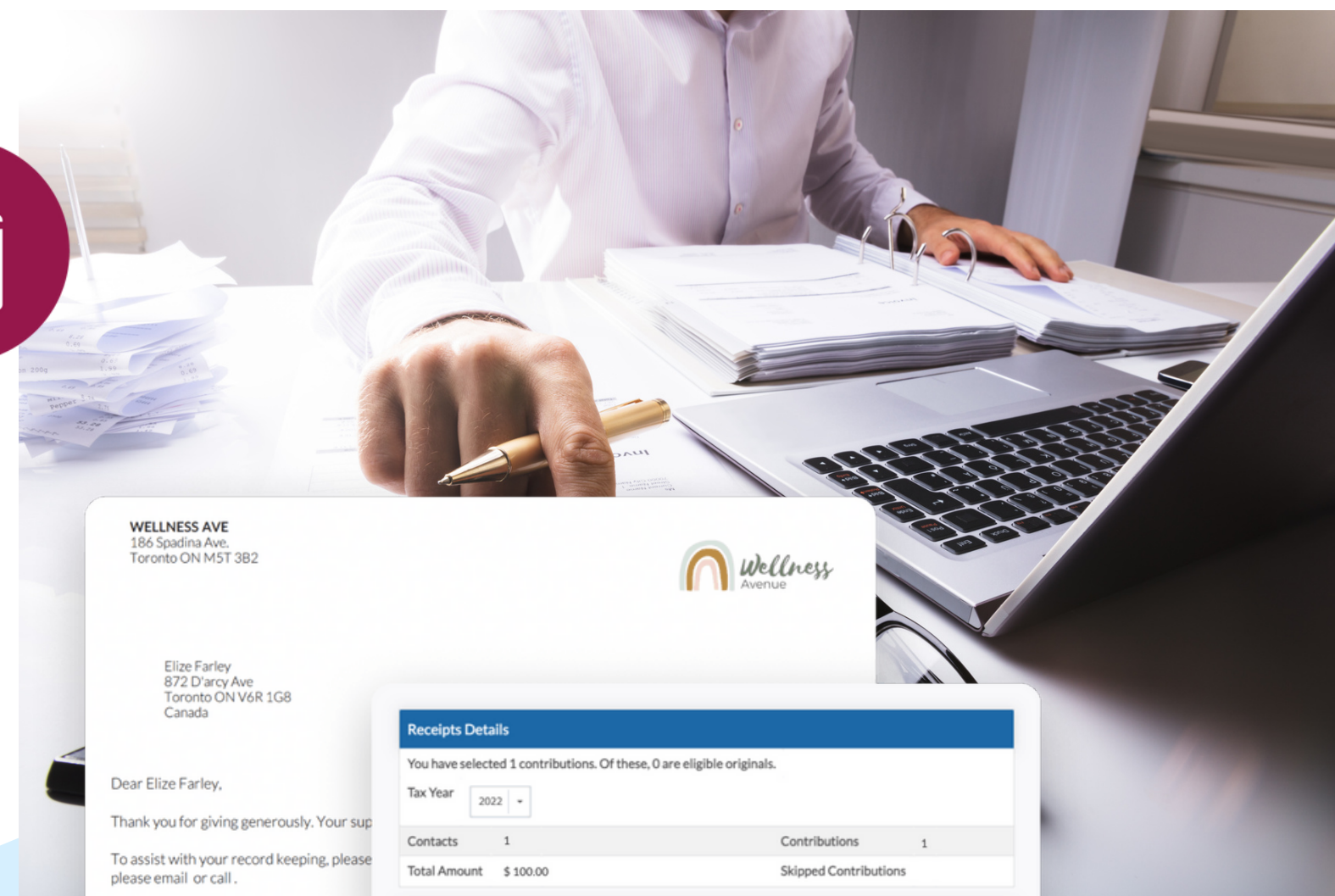




# Tax Receipting That Takes Minutes, Not Hours



WELLNESS AVE  
186 Spadina Ave.  
Toronto ON M5T 3B2

Elize Farley  
872 D'arcy Ave  
Toronto ON V6R 1G8  
Canada

Dear Elize Farley,

Thank you for giving generously. Your sup

To assist with your record keeping, please  
please email or call.

Thank you,  
Default Domain Name

-----

**Official Tax Receipt For Income**

WELLNESS AVE  
Charitable Registration #: 10000-000-R  
186 Spadina Ave.  
Toronto ON M5T 3B2

Donation Received: 2021-10-14  
Donation Amount: \$100.00  
Eligible Amount of Gift: \$100.00

PREVIEW

872 D'arcy Ave  
Toronto ON V6R 1G8  
Canada

Authorized Signature  
*Jill Bennett*

**Receipts Details**

You have selected 1 contributions. Of these, 0 are eligible originals.

Tax Year

Contacts	1	Contributions	1
Total Amount	\$ 100.00	Skipped Contributions	

**Thank You Settings**

☒ Mark Contribution as thanked

☐ Send a custom Thank You Email Message

**Delivery Preference**

Method

SPEAKER:



Lucas Froese  
Senior Manager, Charity Engagement



Generate Instant Tax Receipts



# Land Acknowledgement

**Our team at CanadaHelps is grateful to have the opportunity to meet and work on many Indigenous homelands across this land we share, Canada.**

As settlers on these lands, it is important to acknowledge that our Vancouver offices are located on the unceded territory of the Coast Salish People, the Montreal offices are located on Kanien'kehà:ka (Mohawk) territory, and the land on which we operate in Toronto is the traditional territory of the Wendat, the Anishinaabeg, Haudenosaunee, and the Mississaugas of the Credit First Nation.

We want to express our respect for the territories we reside in and honour the diverse Indigenous People who have lived and worked on this land historically and presently. We, the staff and leadership at CanadaHelps, are committed to being active participants in reconciliation. We are committed to continuing to amplify Indigenous voices, and learning how our work affects Indigenous People.

# About CanadaHelps



- CanadaHelps is a charitable foundation increasing giving in Canada through technology.
- **For Canadians**, CanadaHelps.org, provides a trusted one stop destination for making donations, fundraising, or learning about any charity in Canada.
- **For Canada's 86,000 charities**, we also develop affordable fundraising technology and provide free training and education for charities so that all charities have the capacity to increase their impact and succeed in the digital age.
- Since 2000, more than 3.5 million Canadians have donated over \$2.3 billion to charities using CanadaHelps.





# Got A Question?

- A recording will be emailed to you following the webinar. You'll be able to watch the recorded video on demand.
- You can hear us, but we can't you.
- Have questions or technical difficulties?
- Type them into the Questions Log at anytime.

Questions

[Enter a question for staff]

Send

# About the Presenter



**Lucas Froese**

**Senior Manager, Charity Engagement - Eastern Canada**

[lucasf@canadahelps.org](mailto:lucasf@canadahelps.org)

Since 2018, Lucas has been empowering charities and helping them to level up their fundraising. Lucas is at the forefront of new digital giving developments and has helped thousands of organizations build successful online giving programs.



A close-up photograph of a person's hands filling out a tax form. The person is wearing a watch on their left wrist and a ring on their left ring finger. They are holding a pencil in their right hand, writing on the form. The form is titled "Income Tax and" and has various sections for reporting income and deductions. To the right of the form is a large, vintage-style calculator with a numeric keypad and function keys. In the background, there is a white cup of coffee on a saucer. The scene is set on a wooden desk.

# Agenda

- The Importance of Donation Receipts
- How to Issue Official Donation receipts?
- What are some issues with manually managing tax receipts?
- How can a Donor Management System make tax receipting easier?
- Q&A



# The Importance of Donation Receipts

Being able to issue official Donation Tax Receipts is one of the most important benefits of being a Registered Charity.

It is rarely the driving reason people give but **40.7% of people agree that the ability to receive a tax credit increases their likelihood to give.**<sup>1</sup> Younger generations are more likely to agree with this statement.

Does the ability to receive a tax credit for your charitable gifts increase your likelihood to give?					
	All Generations	Generation Z (18-24 years)	Millennials (25-39 years)	Generation X (40-54 years)	Boomers (55-85 years)
Yes	40.7%	48.4%	48.1%	35.8%	33.9%
No	59.3%	51.6%	51.9%	64.2%	66.1%

<sup>1</sup> The Giving Report 2022

# The Importance of Donation Receipts

- Of those that don't donate, 35.4% have said that the main reason why is because "I can't afford to give to charity".
- A donor can receive as much as 53% back through charitable tax deductions depending on their province and the amount they donate.

Canada / Province / Territory	For eligible amounts \$10,000 or larger	Canada / Province / Territory	For eligible amounts \$10,000 or larger
AB	49.5%	ON	50%
BC	45%	PE	45%
MB	46%	QC	53%
NB	45%	SK	43%
NL	50%	YT	41%
NS	49%	NT	43%
NU	40%	Outside Canada	28%

Calculate Your Charitable Tax Credit [View disclaimer](#)

TOTAL DONATIONS FOR THE YEAR

\$

Enter Amount (\$10 or more)

Enter any dollar value of \$10 or higher. No Commas.

PROVINCE/REGION

Select

Choose your Province/Region



# Issuing Official Donation Receipts

According to the CRA, 89% of charities are not issuing them correctly.

Some of the most common issues are:

- issuing a receipt with inaccurate or missing information;
- issuing a receipt for a transaction that does not qualify as a gift;
- issuing a receipt on behalf of another organization; or
- issuing a receipt for an inflated amount

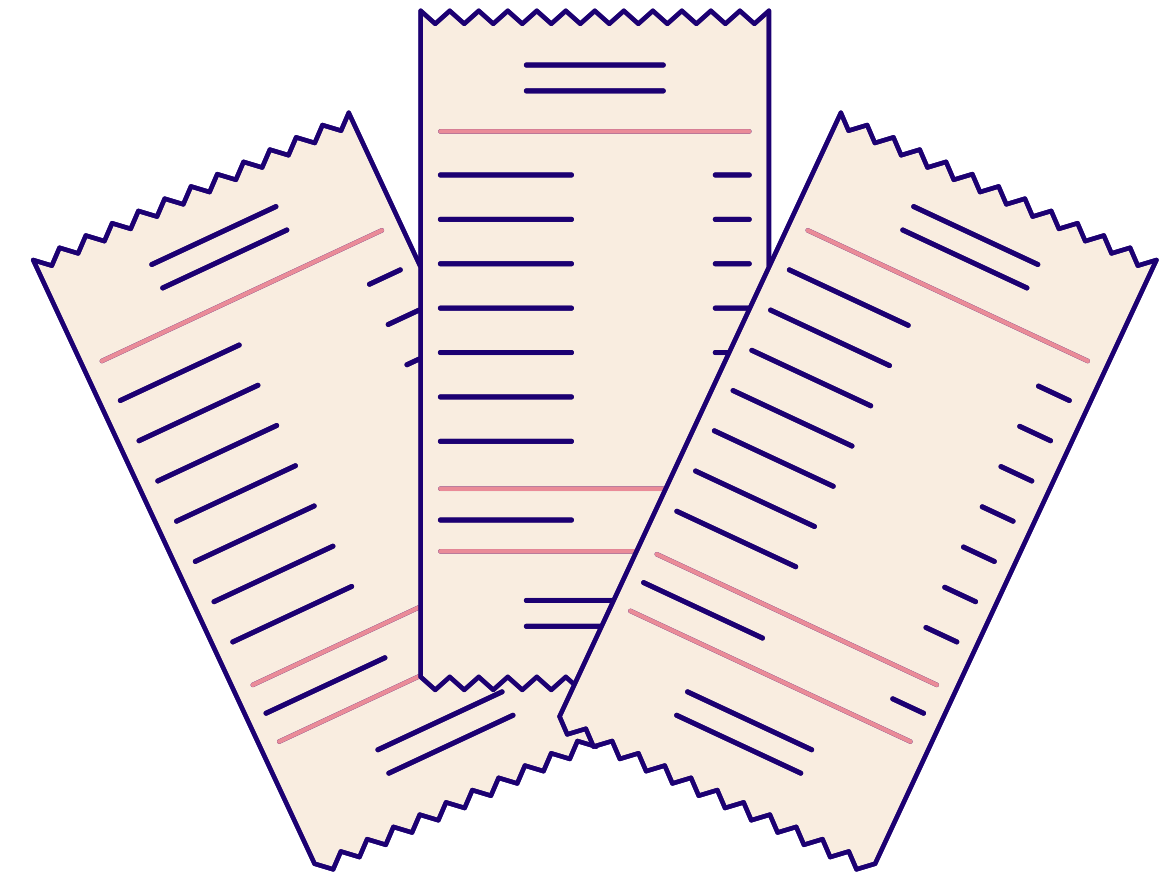
If you are unsure about issuing a receipt, the best call is to not issue one.



# What is Required on Official Donation Receipts?

Official donation receipts must include:

- a statement that it is an official receipt for income tax purposes
- the name and address of the charity as on file with the Canada Revenue Agency (CRA)
- a unique serial number
- the registration number issued by the CRA
- the location where the receipt was issued (city, town, municipality)
- the date or year the gift was received
- the date the receipt was issued
- the full name, including middle initial, and address of the donor
- the amount of the gift
- the amount and description of any advantage received by the donor
- the eligible amount of the gift
- the signature of an individual authorized by the charity to acknowledge gifts
- the name and website address of the CRA



In addition to these requirements, charities are legally required to **keep a record of the receipt for at least 2 years** and it would be prudent to keep official donation receipts for up to 7 years



# When to Issue Official Donation receipts?

**Official donation receipts can be made for:**

- voluntary transfer of property (e.g. cash, stocks, equipment)

## **Split Receipting**

If the donor receives an "advantage", split receipting should be used and the advantage subtracted from the eligible amount.\*

- After subtracting the fair market value of the advantage it should meet the intention to make a gift threshold of more than 80% of the fair market value of the gift itself.
- \*If the advantage is of nominal value, less than 10% of the FMV of the gift, the advantage does not have to be subtracted.

For non-cash gifts, fair market value must be determined. If it cannot be determined, a donation receipt cannot be issued.

# What are some common issues with tax receipting?

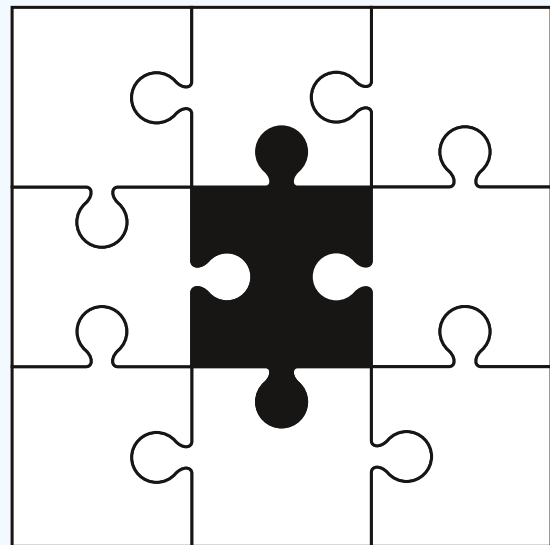
- Missing details and mistakes
- Difficult to keep track of
- Unable to collaborate
- Cost prohibitive
- Delays in sending receipts and thank you messages
- Issuing annual aggregated receipts is difficult
- Storage issues & Difficult to search





# Missing Details & Mistakes

- **Are you recording unique serial numbers and details such as name, address and eligible gift amounts?**
- Do your fields have data validation - text entry vs. number entry, typos
  - Province
  - Number fields
  - Date fields
- After data is entered, is the information locked?



# Keeping Track

**Are you able to keep track if that official donation receipt has been sent out or not?**

There should be a data field that confirms whether or not it was sent and a date that it was sent.





# Collaboration Issues

**Are your spreadsheets static documents that are on your local network?**

You may end up with multiple versions of the same records and have to handle reconciling differences at a later date.

A step up from static excel documents is using an organizational Google or Office 365 account. Both Google and Microsoft offer discounts or free licenses for charities which allows collaboration in the Cloud.



# Cost Prohibitive

**Are you sending your donation receipts by mail?**

There is a very real cost to print, purchase envelopes and pay for postage. This becomes increasingly costly as your charity grows and scales.

While email is more cost-effective, coordinating tax receipt delivery to supporters can be difficult without a system or marketing tool.





# Delays in Sending Receipts & Thank You Messages

**Are you sending your receipts and thank you messages at the right cadence?**

It is best practice to send thank you messages as soon as possible but tax receipts can be sent when donors require them around February/March in the following year.



# Issuing Annual Receipts

**Are you issuing annual/aggregate receipts according to donor preference?**

Sometimes donors give multiple times in a year but want just one aggregated receipt at the end of the year for their taxes.

This can be difficult, if not impossible when done manually.



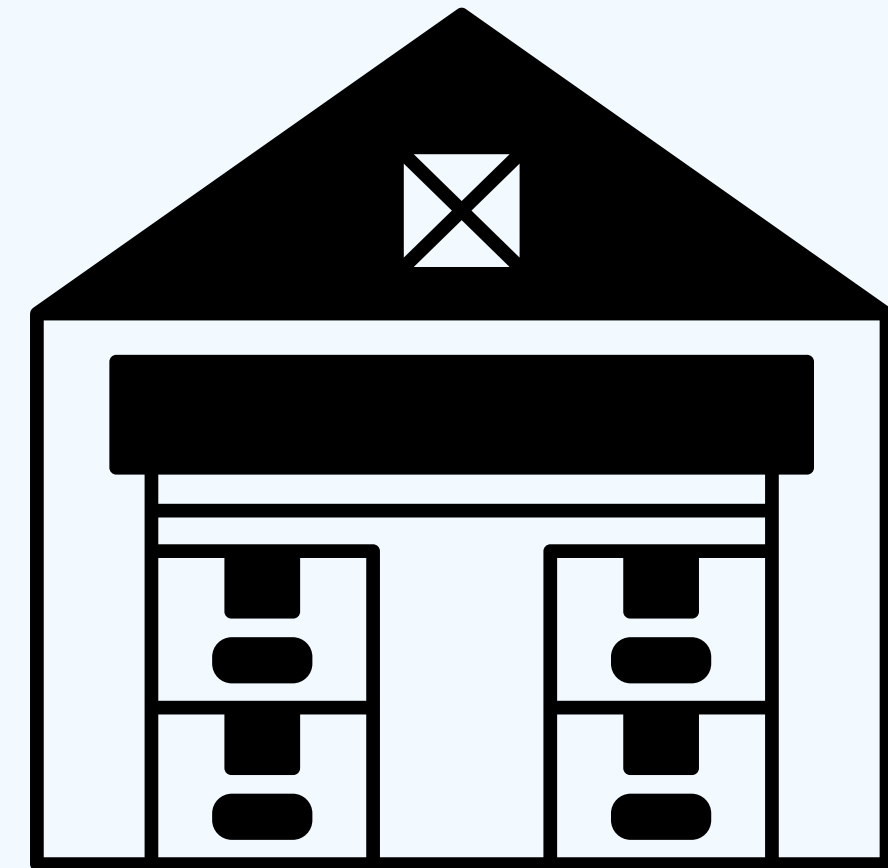
# Storage Issues & Difficult To Search

## Are you storing your receipts securely?

Receipts need to be stored for at least 2 years for potential CRA auditing. However, it is prudent to keep them for up to 7 years.

Physical copies take up space, can be easily damaged and require extra work in scanning receipts.

While storing your receipts is one thing, being able to track down the receipt you need when one needs to be reissued another.

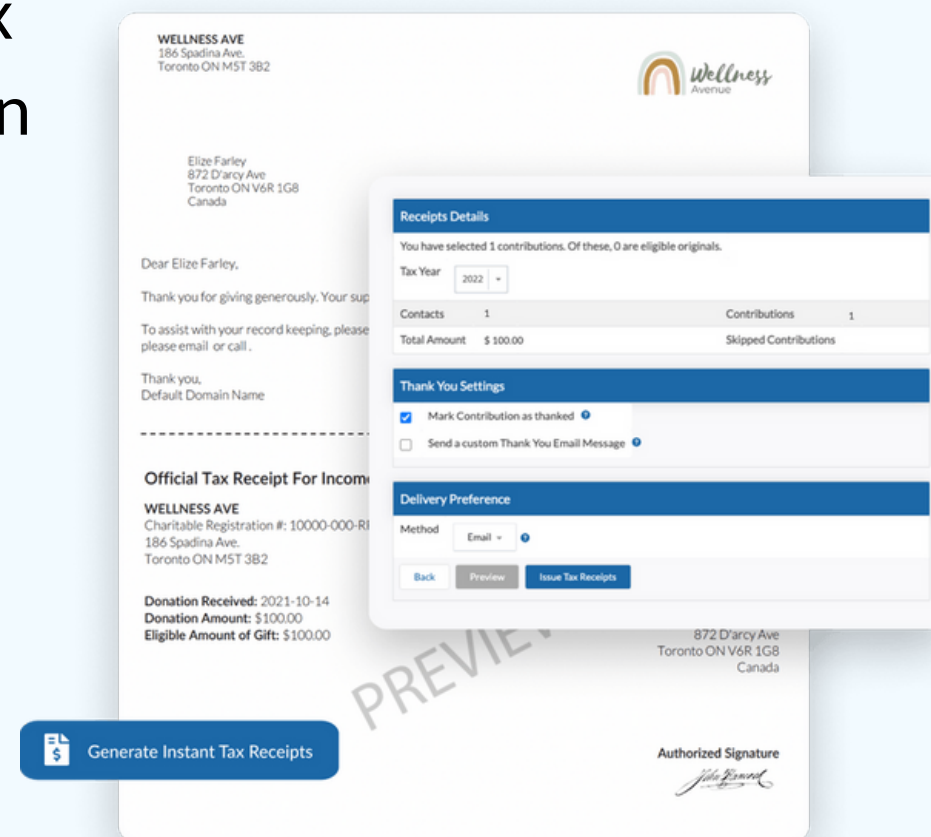




# Tax Receipting With A Donor Management System

A Donor Management System is purpose built for charities and addresses all of the issues that come with manual tax receipting.

- Issue One-Time or Aggregate Tax Receipts with the click of a button
- Send personalized and branded CRA compliant Tax Receipts
- Send Tax Receipts by Email or Generate them for Mail
- Create mailing labels for printing on all standard label sizes
- Send Tax Receipts at a desired cadence by making use of filters



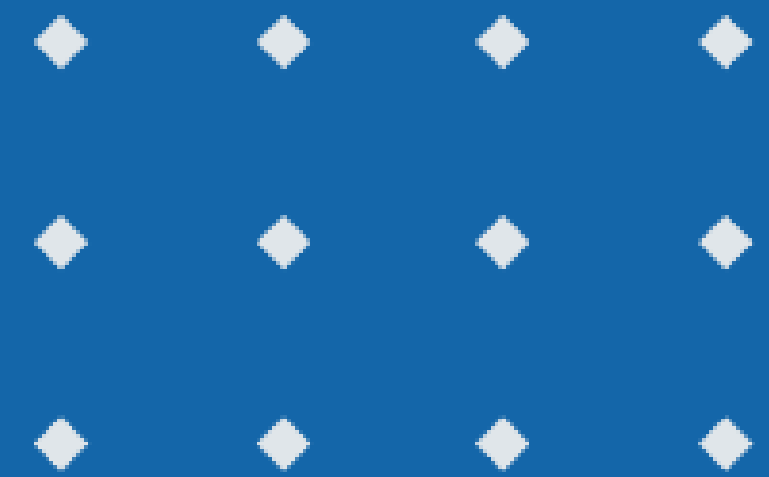
- Automatically track which donations have been receipted and which have not
- Send an additional thank you message as part of generating your tax receipt
- Void and resend receipts with the click of a button
- Work collaboratively with your team from your one source of truth
- Find all of your receipt data stored on secure cloud servers, hosted in Canada



**The CanadaHelps Donor Management System is able to track and organize donations of individuals who contribute to our organization. The simplicity of sending thank you messages and tax receipts is great!**

Ryan H. from the Niagara SPCA and Humane Society

Q&A



# Contact Us



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1-877-755-1595

[www.CanadaHelps.org](http://www.CanadaHelps.org)

@CanadaHelps

[Book a Consultation on the CanadaHelps DMS](#)