

The Rainbow Society of Alberta

A Child. A Wish. A Dream Come True!

www.rainbowsociety.ab.ca

May 2017

To Whom It May Concern

Re: Invitation to Support The Rainbow Society of Alberta Trail Ride "Rainbow Trail Ride"

The Rainbow Society of Alberta is dedicated to granting wishes for children who live in Alberta and have been diagnosed with a life-threatening or severe chronic medical illness. These courageous kids struggle with lengthy hospital stays, painful procedures and treatments, and the uncertainty of what comes next. Knowing that they have a wish coming true can be exactly what a child needs to get through yet another night in the hospital, away from their family. Some of the magical wishes granted include meet and greets with celebrities, backyard playgrounds, horses, custom made suits of armour, and, of course, trips to Disneyland and Disney World.

The annual Rainbow Trail Ride is set for Sunday, August 20, 2017 at the Cooking Lake/Blackfoot Provincial Recreation Area, Central Staging. We reward our top pledge earners with first choice from the amazing selection of prize items graciously donated by businesses in our community. This year our goal is to raise \$17,500 before event costs of \$700. We ask for your support with the donation of an item or service we can offer as a prize to our dedicated trail riders. Registration for the ride is FREE; we simply ask participants to raise a minimum of \$50 in pledge donations. In the history of the Rainbow Trail Ride, our riders have raised a remarkable \$274,000!

Contributions such as yours are genuinely appreciated, as our program is funded strictly by donation and fundraising; we do not receive government funding.

We thank you for your consideration. **To confirm your support as a prize sponsor and to arrange pickup of the donated item, please contact Holly Pshyk at 780-469-3306 or email hollyp@rainbowsociety.ab.ca.** For more information on making dreams come true, please visit our website, www.rainbowsociety.ab.ca.

Should a tax receipt be required, please refer to page 2 for receipting guidelines.

Best Regards,



Holly Pshyk

Fund Development Manager

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The Rainbow Society of Alberta 25th Annual Trail Ride

IMPORTANT INFORMATION REGARDING DONATIONS TO A CHARITY

Canada Revenue Agency (CRA) allows registered charities such as **The Rainbow Society of Alberta** to issue tax receipts under the following guidelines. We adhere to these guidelines to protect our donors as well as the children in our wish granting program. An official tax deduction receipt will be issued if:

1. Property - usually cash or a gift - is transferred by a donor to The Rainbow Society of Alberta;
2. The transfer is voluntary; and
3. The transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value.
4. A gift is a transfer of property, not of services. No donation tax credit is available for the performance of services rendered without remuneration or compensation. A professional who wants to receive a donation receipt for time and professional skill donated to a charity must first bill the charity for the services performed and then donate the amount he or she is paid back to the charity. This process shows that a true donation has been made and provides an audit trail for both parties. We are happy to facilitate this transaction.

To receive a tax receipt, you must provide your full name and complete mailing address. In order to save on donated dollars, we issue charitable tax receipts by email, therefore an email address is required.

Gift Certificates and Gift Cards

If a company wants to donate a Gift Certificate or Gift Card, the following steps should be followed:

1. The Rainbow Society will purchase a gift certificate/card for an agreed-upon amount,
 2. The company will make an equal cash or cheque donation to The Rainbow Society,
 3. The Rainbow Society will issue a tax receipt to the company for the cash donation.
- CRA Rationale:* If the gift certificate/card is not ever redeemed, then the business has received a tax benefit for no cost to them. This process creates a simple paper trail and shows the donor's intent.

**Note:* An individual (not the issuing business) who donates a gift certificate/card to a charity is entitled to a tax receipt for the fair market value of the certificate/card.

Donating an Item (also known as a Gift-in-Kind)

If an individual or company wants to donate an item, the following steps should be followed:

1. The company donates an item and provides an official company invoice showing the "fair market value" of the item (GST is not included). Hand-written invoices cannot be accepted.
2. The invoice must clearly state "Donation" on it, with a total balance of \$0.00 left owing.
3. The Rainbow Society will issue a tax receipt for the fair market value.

Auction Items

Buying an item at an auction does not entitle you to a tax receipt, as you have received a tangible item in exchange for your money. However, you are eligible to receive a tax receipt for the difference of what you paid versus the fair market value of the item. *Example:* If you purchased a painting for \$1000 and the reported fair market value of the painting is \$500, you are eligible for a tax receipt for the difference of \$500. For an official donation receipt to be issued, the fair market value of the property the bidder receives cannot exceed 80% of the purchase price.

Sponsorship and Advertising

This kind of gift normally takes place at events such as a golf tournament, and is not eligible for a tax receipt. If a company pays for sponsorship and is receiving advertising at the event, only a non-tax deductible **Business Receipt** may be issued. *Rationale:* CRA deems that advertising the company's name is an advantage that has value.

For more information regarding the conduct of charities or the federal government guidelines regarding tax receipts, please visit www.cra-arc.gc.ca/tax/charities. If you have any questions please contact: **Craig Hawkins, Executive Director**, at 780-469-3306 or via email at craigh@rainbowsociety.ab.ca.

Updated June 2015