



Administrative Procedure 3075

The Friends of Education Fund Committee

Board Governance Policy Cross Reference: [1](#), [12](#), [14](#), [15](#)

Administrative Procedures Cross Reference:

Form Cross Reference:

[Charitable Tax Receipt Project Designated Request Form](#)

Legal/Regulatory Reference:

[The Public Schools Act](#)

[Canada Revenue Agency](#)

Date Adopted: October 2013

Amended: May 2019

The Brandon School Division recognizes the need to establish a fund for the purpose of providing an opportunity for individuals, organizations or firms to make tax deductible and non-tax deductible donations to the Division to support special items or purposes not included in the Division's annual budget.

The Friends of Education Fund Committee shall be established to oversee this fund to be known as The Friends of Education Fund.

Goals:

- To promote and encourage contributions to The Friends of Education Fund.
- Through the administration of The Friends of Education Fund the Committee shall:
 - Provide a mechanism by which requests from schools for funding can be received, evaluated and approved or denied.
 - Provide for the advancement of education by providing financial support for projects in public education.
 - Provide a mechanism by which fund raising projects may be authorized as charitable activities for tax receipts.

Membership:

The Friends of Education Fund Committee shall be composed of the following:

- Brandon Teachers' Association, Executive Representative;
- Teacher (Early, Middle or Senior);
- School Leader;
- Canadian Union of Public Employees - Local 737, Representative;
- Brandon Retired Teachers' Association;
- A representative from the community;
- One member of a school Parent Council;
- One Trustee will be the Chairperson of the Committee; and
- Sitting in support of the committee but without a vote will be the Assistant Secretary-Treasurer.

Quorum for scheduled meetings shall consist of at least four (4) of the above-noted Committee members, of which one must be the Trustee representative on the Committee. If there is no quorum, then the meeting shall be cancelled and rescheduled to meet the Committee's quorum requirement.

Term of Membership:

- Membership shall be voluntary;
- Positions will be one (1) year appointments with the possibility of renewal up to a maximum of five (5) consecutive years.

Responsibilities and Duties of Committee with respect to Contributions and Distribution of Monies within The Friends of Education Fund:

- Contributions
Contributions to The Friends of Education Fund may be made by bequest, outright gift, memorial gift or corporate donation. Contributions may be made in cash, by transfer of financial assets or through gifts-in-kind. The Committee reserves the right to convert goods into cash. Parent Advisory Councils and Parent Councils may contribute to The Friends of Education Fund for defined purposes in order to utilize the charitable status of the fund, i.e. playground funds.

Donors are responsible for all personal accounting or legal implications. Responsibility for the evaluation and appraisal of gifts in kind shall rest with the Office of the Secretary-Treasurer who shall provide an acceptable third party arm's length appraisal if an income tax receipt is required. If a third party arm's length appraisal is not available, the Office of Secretary-Treasurer will determine the amount of the donation. This amount is indisputable.

The responsibility for determining the acceptability of any donation shall reside with the Committee which may decline any donation it considers to be inconsistent with the principles of public education or the needs of the public schools within the Division. Further, the Committee shall have the authority to determine whether a donation in kind qualifies for a charitable receipt.

- Non-Cash Contributions

- Gift in Kind

- A gift in kind is a non-cash gift of property. In order to produce a charitable receipt for donors of gifts in kind, the following information must be provided:

- A description of the item donated;
 - The name and address of the donor;
 - The fair market value of the item;
 - The name and address of the appraiser.

- The fair market value of the item should be determined and documented by someone other than the donor. As per Canada Revenue Agency website <http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/rcpts/dtrmfmv-eng.html>:

- Fair market value is normally the highest price, expressed in dollars, that property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other.

- Generally, if the fair market value of the property is less than \$1,000, a member of the registered charity, or another individual, with sufficient knowledge of the property may determine its value.

- The person who determines the fair market value of the item should be competent and qualified to evaluate the particular property being donated.

If the fair market value is expected to be more than \$1,000 the property must be professionally appraised by a third party (that is, someone who is not associated with either the donor or the charity).

If the property is appraised, the name and address of the appraiser must be included on the official donation receipt.

For property that is not used or second-hand, fair market value can be the retail price commonly found for the item in stores. Used or second-hand property should be assessed as described above.

- Gift in Service

As per Canada Revenue Agency website:

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/gfts/srvcs-eng.html>:

A charity cannot issue a receipt for a gift of service. At law, a gift is a voluntary transfer of property without consideration. Contributions of services (for example, time, skills, effort) are not property. Therefore, they do not qualify as gifts for the purpose of issuing official donation receipts. The Friends of Education Fund cannot issue official donation receipts for gifts of services. However, it can issue receipts under the following conditions:

- If it pays a service provider for services rendered and the service provider then chooses to donate the money back, The Friends of Education Fund can issue a receipt for the monetary donation (this is often referred to as a cheque exchange). In such circumstances, two distinct transactions must take place:
 - ❖ A person provides a service to The Friends of Education Fund and is paid for that service;
 - ❖ That same person makes a voluntary gift of property to The Friends of Education Fund.
- The Friends of Education Fund shall make sure that it keeps a copy of the invoice issued by the service provider. The invoice and cheque exchange not only ensure the receipting a gift of property, but they also create an audit trail, as the donor must account for the taxable income that is realized either as remuneration or as business income.

- Distribution of Funds

- Specified Donations

Donors may make donations in cash or gifts-in-kind for specified purposes or as general contributions which fulfill the purpose of The Friends of Education Fund as previously stated. Donations received for specific projects or purposes shall be reported to the Committee at each meeting.

Once projects are approved by the Committee and ratified by the Division the funds shall be disbursed as soon as possible in accordance with the specifications of the donor and in cooperation with the school, department or individual who is the recipient of the donation.

Donations for specific projects or purposes as identified by the donor and/or requests for specific projects or purposes from Division schools, departments, students or staff, should fulfill the purpose of the fund and are generally expected to meet the following guidelines:

- For capital equipment with an individual value greater than \$100 and an anticipated useful life greater than three years, for use by students or for administrative use anywhere within the Division;
- For bursaries/scholarships for Division-wide allocation or for individual schools;
- For special projects not normally or exceptionally provided through the annual budget or available from other Division funds.

- Non- Specified Donations

For non-specified donations received by the fund, The Friends of Education Fund Committee will receive requests/proposals from Division schools, departments, students and staff throughout the year. Requests from individuals must be supported by a Division school or department. At each meeting the Committee shall review the requests received and allocate the available funds to the projects approved.

Time sensitive requests may be received and acted upon at any time provided there is agreement to do so as indicated by a 2/3 majority vote of the Committee which may be obtained by telephone/email poll where full disclosure of the request is provided. The funds will be disbursed as soon as possible after approval by the Committee and ratification by the Division and in cooperation with the receiving school, department or partner.

Meetings:

- The Friends of Education Fund Committee shall meet twice during the school year: October and April. (On election years, Trustee representative will set a meeting as soon as possible).
- Notification of a special meeting shall occur at least one week prior to the meeting date.
- The Friends of Education Fund Committee meeting reports shall be posted on the Division website for public information. The Committee shall report to the Division through the submission of Committee minutes.
- The Assistant-Secretary Treasurer or designate shall initiate the organization of the first Friends of Education Fund Committee meeting of each school year.

Regulations:

The Friends of Education Fund will be administered by Division administration office staff with the guidance and direction of The Friends of Education Fund Committee using the following guidelines:

- Charitable donation receipts will be issued for contributions of cash or gifts-in-kind made to the fund in the amount of \$25 or greater;
- Such receipts will be issued from the Division Administration Office;
- Cash contributions will be deposited in a separate interest bearing bank account established for this fund;
- Larger accumulations of funds will be invested in securities authorized under *The Public Schools Act* or invested cooperatively under certain circumstances with such organizations as the *Brandon Area Community Foundation*;
- The fund shall be maintained as a Trust Fund within the Division accounting records but as a distinct area separate from regular operations;
- As part of the Division accounting records the fund will be subject to the annual audit as applied to the Division's overall operations;
- An accounting report summarizing receipts, disbursements and Bank / investment balances shall be provided to the Committee and the Division annually on or before October 31st;
- The means of recognition will be determined by the Committee at a scheduled meeting of the year and will be administered through the Assistant Secretary-Treasurer or designate;
- The signing authorities for the bank account will be the Division's authorized signing authorities;

- Disbursements of the donations received shall be made as soon as possible;
- After the Committee has approved, and the Division has ratified the projects.

New Project Request Procedures:

- All requests/projects must submit a completed "*Charitable Tax Receipt Project Designated Request Form*" to the Friends of Education Fund Committee.
- The request/project will be circulated to all committee members for review and approval to ensure all *Canada Revenue Agency* requirements and The Friends of Education Fund guidelines are met for a charitable receipt issuance.
- Upon approval, an account is created for the project and all parties are notified.