



EQUIPPING FOR ELDERSHIP

C H A R G I N G F O R C H U R C H F A C I L I T I E S - P A R T I I

The previous “Equipping for Eldership: Charging for Church Facilities” explored the question of whether or not congregations can charge one fee for non-members and a lower fee, or no fee at all, for members for the use of church facilities. According to the Canadian Council of Christian Charities, congregations are not to charge different fees for members and non-members. The council notes, as far as the Canada Revenue Agency is concerned, this creates an implied tax benefit for members of, or donors to, a congregation.

That article sparked the following questions. The answers were arrived at in consultation with the National Office Financial Services.

If a congregation does not charge for the use of its facilities, is there any harm in suggesting a “donation” that would be geared to cover costs?

Congregations cannot suggest a donation for the use of the church. A donation made because a person or group uses the church means it is not a true gift. No tax receipt is to be issued in this case.

It is possible for a congregation to provide free use of its facilities for individuals and groups, approved by session, while extending an invitation, without any obligation, for those individuals or groups to make a donation to the general ministry of the congregation.

If the congregation suggests a “donation” to an individual or group that is using the church facilities, may a receipt be issued?

Since, as stated in the previous answer, a congregation cannot suggest donations for the use of the church no receipt could be given in this situation. Of course receipts may be given to those who freely donate to the general ministry of the congregation.

If a group using the church, such as Alcoholics Anonymous for example, offers an uninvited donation, may a receipt be given?

A receipt may be issued for an uninvited donation to the general ministry of the church.

What percentage of overall receipts may a congregation receive by way of church use fees without jeopardizing its charitable status?

There is no simple answer to this question. The source of receipts is as important as the amount of receipts.

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CHARGING FOR CHURCH FACILITIES - PART II

It is essential for churches to remain true to their mission and purpose in all they do, including the use of their facilities.

The session is responsible for how the church buildings are used. (Book of Forms 109.2)

Churches may engage financially with “related businesses”. A related business is one linked to the church’s purpose and subordinate to that purpose – or is a business operated substantially by volunteers. According to these regulations, a church may rent out its parking lot as “excess capacity” as a “related business”, for example, but if the church housed a Tim Horton’s outlet, that would be considered an unrelated business. Sessions should visit the following Canada Revenue Agency website for more information on this.

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-019-eng.html>

