

# The Ministry of Managing Money

Congregational Finances and Stewardship

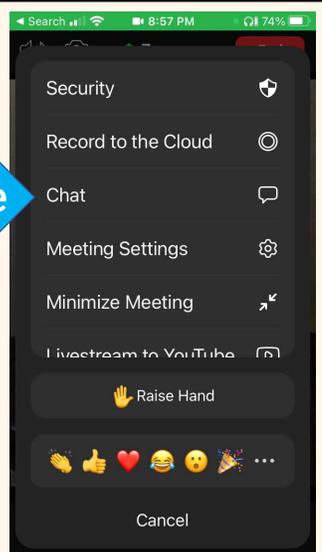
The Ministry of Managing Money  
*Congregational Finances and Stewardship*  
Webinars presented by The Presbyterian Church in Canada  
*with the support of Presbyterians Sharing*

# Protocol

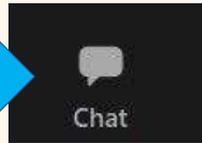
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- Stay muted and use chat to ask anything
- Chat will be monitored and questions asked as we go along or at the end
- There may be an opportunity to unmute at the end

Mobile



PC



# Webinar Series



**Today**

**Receiving & Receipting God's Gifts**

*Exploring Congregational Revenue*

**Thurs., Dec. 9**

**Sharing God's Gifts**

*Examining Congregational Expenditures*

**Thurs., Jan. 13**

**Telling the Story**

*Reporting & Communicating Finances*

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be available at

[presbyterian.ca/  
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Share it around!



Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.



# Receiving & Receipting God's Gifts

Exploring Congregational Revenue

December 2021

# Presenters

**Karen Plater**, Stewardship & Planned Giving

**Maurice Mawhinney**, Presbytery of West  
Toronto & PCC Finance Committee

**Jim MacDonald**, Stewardship & Planned Giving

**Maggie Leung**, Stewardship & Planned Giving

**Oliver Ng**, CFO, The PCC

One of the benefits of a webinar is that you can pull in multiple people to present. This really is a collaborative effort.

# Treasurer's Handbook

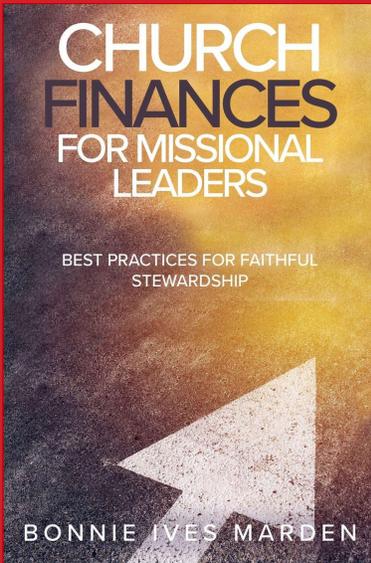
The Presbyterian Church in Canada  
**Treasurers' Handbook**



Revised 2020

Download [presbyterian.ca/resources/finance/](https://presbyterian.ca/resources/finance/)

Most of the information will be found in the Treasurer's Handbook.



## Best Practices

***“Budget building and management work is sacred and will directly impact the morale and confidence of the whole community.”*** – Bonnie Ives Marden

Available on Amazon.ca

Bonnie Ives Marden’s book Church Finances for Mission Leaders does an excellent job of integrating both stewardship and money management and biblical principals.

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“We are inviting you to invest yourself through the resources that God has given you – your energy, your prayers and your money – in this work to which God has called us.”

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Henri Nouwen, *Spirituality of Fundraising*

If it's not about giving to a budget – it's about our lives. Look at what we have been given, how we use those resources, and what we can give back.

In the spirituality of fundraising – a great little book, simple read, Henri Nouwen sees encouraging giving as a ministry as a way we share the gifts God has given us.

# Reclaim Stewardship

Stewardship is not about giving to a church budget.

It's about responding to the call of God in our lives with all our gifts – time, treasure, talent.

If we want to reclaim the biblical concept of stewardship – we need to reclaim it as a spiritual discipline. It isn't just about finances – it's about the way we live our lives. Some of you may have heard this from me before – but really, I can't say it enough.

When your use of language about stewardship is centered on the need to raise sufficient funds to cover the bills—we can lose sight of what it means to be good stewards. We think more about the total needed and “how much is my fair share?” – rather than, what has God given to me, how am I using it and what can I give back to God.

Now some of you might be saying – BUT we need to pay the bills!!! The thing is, especially if the only message someone hears about stewardship = giving \$ - we lose the richness of stewardship and people can begin to think of the church as another fundraising agency looking for my money – rather than stewardship as a spiritual discipline that I am part of.

## Giving Money

Money is a symbol of life

Many examples of cash & non-cash gifts in the bible

How we give is important

We can't be stewards of God – whose very nature is giving - without giving resources away - time, talent, treasure.

Giving is the act of sharing something of value. -

Money is a symbol of our lives, and giving money is a big part of stewardship.

Many examples of people giving money – to build the temple, to care for the stranger,

And the bible shows us that giving can care for the poor, build people up, instill dignity, celebrate life.

And it can also assert power differences, make people feel dependent, take advantage of people.

As Christians, we want to give the way God gives:

**generously**, abundantly, unconditional,

Sharing love joy and faith,

## II Corinthians 9:7



Each of you must give as you have made up your mind, not reluctantly or under compulsion for God loves a cheerful giver.

John McMullen, in his book *Stewardship Unlimited*, notes that when you ask people to give until it hurts, you quickly discover how low their pain threshold is!

In reflecting on McMullen's statement, **Al Winn, a Presbyterian minister in the States, suggested that we shouldn't ask people to give until it hurts; instead, we should ask them to give until it feels good.** Well, that is exactly what Paul was asking the first century Corinthians. "Don't give reluctantly or under compulsion," he wrote, "for God loves a cheerful giver." In other words, Paul was urging the Corinthians to give until it felt good, because God loves a cheerful giver.

The Greek word translated as "cheerful" is *hilarus*, from which we get the English word, "hilarious." Paul is saying that God loves *hilarious* givers – those who enjoy giving so much that they gleefully exclaim, "Yippee! Let me do it again!"

For if the eagerness is there, **the gift is acceptable according to what one has** – not according to what one does not have.

II Corinthians 8:12

According to Paul, we are all rich, “rich enough to be generous.”

Sadly, we often look at ourselves on the basis of what we don't have. We tend to compare ourselves to others and then put ourselves down: “I don't have a big house or a prestigious job. I don't have good looks or loads of talent or a 150 IQ.” Yes, we look at ourselves on the basis of what we don't have and feel like I did in the Five and Dime – like poor cousins of a rich uncle. And in the process we convince ourselves that we have nothing worth giving. But Paul tells us that that is the wrong way to look at ourselves. **We need to look at ourselves the way God himself looks at us. And God looks at us on the basis of what we have to give, not on the basis of what we don't have.**

**When we begin to look at ourselves on the basis of what we have to give rather than what we don't have, our inner dialogue begins to change from negative putdown to positive affirmation: “I may not have a big house, but I do have the ability to fix up my house or apartment so it looks and feels like home for me and my family. And I can welcome guests with warm hospitality so that they feel like they are at home when they come for a visit.”**

“I don't have many friends, and I may not be the most popular person around; but I know how it feels to be left out, and I can reach out to others when they feel rejected and lonely.”

“I don't have oodles of talents, but I can fix things around the house. Why, I can even fix my neighbor's lawn mower when it breaks down!” I'll never forget a funeral at which I officiated. The chapel was packed with friends and neighbors of the deceased as they remembered the man fondly known as “Mr. Fix-It” in his neighborhood.

## Giving to Make a Difference

- Donors don't give their money TO your ministry
- they give to God THROUGH your ministry to touch the lives of other people
- Donors will give generously when they feel their money is making a difference

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## Charitable Registration, Purposes & Activities

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Every congregation should have CRA registration number. It is possible to lose this number, so it is important to stay on top of reporting and your processes. We have had congregations lose their registration, which leaves them unable to issue receipts – and their donors usually aren't very happy with that. . .

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# Charitable Purposes

- relief of poverty
- advancement of education
- advancement of religion
- certain other purposes

## **Charitable purposes**

To be a charitable organization, your purposes must fall within one or more of these categories:

- relief of poverty
- advancement of education –
- advancement of religion - Congregations fall in here
- certain other purposes that benefit the community in a way the courts have said is charitable

This category includes various purposes that do not fall within the other categories but which the courts have recognized as charitable, such as:

- relieving a condition or disability associated with old age, which includes providing facilities for the care and rehabilitation of the elderly
- preventing and relieving sickness and disability, both physical and mental (for example, hospitals)
- providing certain public amenities to benefit the community (for example, public recreation grounds)
- providing counselling services for people in distress
- operating an animal shelter
- operating a volunteer fire department

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## Advancement of Religion

Defined as preaching and advancing the spiritual teachings of a religious faith, and maintaining the doctrines and spiritual observances on which those teachings are based

Most congregational activities will fall neatly into this: worship, mission, Sunday School, care for the vulnerable, speaking for the voiceless, work for justice . . .

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# Charitable Activities

What you do to accomplish your charitable purposes

- Worship
- Maintaining a building for ministry
- Christian education
- Mission & Outreach
- Care for vulnerable & seeking justice

## **Charitable activities**

Activities are your organization's programs or the things you do to accomplish your purposes. Charitable activities are activities carried out to fulfill a charitable purpose. Without a charitable purpose, your organization cannot have charitable activities.

KP

## How can we carry out Charitable Activities?

The *Income Tax Act* permits registered charities to operate in two ways

- Carry out their **own** charitable activities
- Give funds to **qualified donees**

KP	<p>Gifting to other organizations</p> <p><b>What is a Qualified Donee?</b></p>
	<ul style="list-style-type: none"> <li>• Registered charities</li> <li>• Municipalities, Provinces, Territories</li> <li>• United Nations &amp; its agencies</li> <li>• Public Bodies Performing a function of government</li> <li>• Registered Universities outside of Canada</li> <li>• Canada, Registered Journalism Organizations</li> <li>• Low Cost Housing Organizations</li> <li>• National Art Service Organizations</li> <li>• Canadian Amateur Athletic Associations</li> <li>• and more . . .</li> </ul>

Easier to answer the second one first. This will be most common for congregations. You can send to qualified donees, if it fits with your charitable purpose. If you do, the demands of maintaining direction and control aren't the same – they are implementing for you. Most will be through Registered Charities – Food Bank, Shelter, Mission organizations, Refugee sponsorship groups

Reported in your T3010

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## Carrying out your own Charitable Activities

A charity can carry on its **own activities by**  
using its staff/volunteers

**OR**

through an intermediary

When using an intermediary, the charity  
must **maintain direction and control** of its  
resources.

KP

## Carrying out your own charitable activities Using an intermediary

You might:

- Hire a company or private contractor
- Enter into an agreement with a non-profit organization
- Pool resources with another organization to complete a project

A **joint venture participant** is an organization a charity works with to carry on a charitable activity. The charity and one or more joint venture participants pool their resources to accomplish an agreed-upon goal under the terms of a joint venture agreement.

A **co-operative participant** is an organization that works side-by-side with a charity to complete a charitable activity. The charity and the other organization(s) each take on responsibility for specific parts of the project only. This is different from a joint venture, where participants pool their resources and share responsibility for the project as a whole.

KP

## Maintaining Direction & Control using an intermediary

The church must **make decisions and set parameters** for the activities, on an ongoing basis

- the overall goals
- how it will be carried out
- where the activity will happen
- who will benefit
- when it will begin and end

KP

## Maintaining Direction & Control using an intermediary

- Written agreements
- Ongoing communication & direction
- Excellent record keeping with separate books
- Make periodic transfers of resources, based on demonstrated performance.

The CRA recommends the following measures to maintain direction and control of activities through an intermediary everything needs to be “Complete, clear and detailed” – so they are pretty serious about that. Check out their website for more ideas and complete instructions.

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## Maintaining Direction & Control Foreign Activities

“A charity can carry on its activities both inside and outside Canada. However, carrying on its activities outside Canada often presents significant challenges and requires substantial ongoing effort. Before an organization begins carrying on activities outside Canada, the CRA recommends that it consider working with a charity or **other qualified donee** that has this type of experience.”

The same requirements are for foreign activities – which isn't easy to do – and why they recommend working through qualified donees. Some congregations do successfully have direct partners; others have lost their CRA (or been threatened loss) because of this.

Is it a Gift?



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## Questions to ask

- Was there a transfer of property?  
YES = receipt
- Was the property given voluntarily?  
YES = receipt
- Did donor relinquish control?
  - YES = receipt
- Did the donor receive an advantage?
  - YES= deduct value from receipt with some exceptions

Was the gift made voluntarily? YES

Was there a transfer of property? YES

Did donor relinquish control? If YES – get a receipt – this is an interesting one, because they can designate it, but once they give it, it is given

Did the donor receive an advantage?

KP

## Is it property?

### **Cash**

- Includes debit, cheque, and credit card ,online payments

### **Non-cash gifts/ Gifts-in-Kind**

- Capital property (equipment, land, buildings, stocks, etc.)
- Personal property (artwork, furniture, clothes, etc.)
- Life insurance policy
- Charitable Gift Annuities
- Ecological land\*/Canadian cultural property\*

• \*special rules so not covered today

We won't look at Ecological Land or Canadian Cultural Property – but we will cover all the others today. First, we'll start with Gifts-in-Kind

KP

## Was it given voluntarily?

If it was ordered by a court, then it isn't voluntary. You'll be notified if it is a court order.

There may be other circumstances . . .if you know of any, share in chat!

This is easy to answer, first we'll look at the whether it was voluntarily given. . . and then we'll explore what 'property is'?

KP

Did the donor relinquish control?

## Designated Donations

- Donors may give a general direction or choose a **particular program**.
- They **cannot** choose a specific beneficiary. (Conduit)
- Charity is allowed to **reallocate** within that program.
- A registered charity **cannot return a donor's gift** if a project is oversubscribed – need broad designations

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Did the donor relinquish control?

## How is it designated?

- **Internally designated** (Emergency appeals, Special offerings, Capital campaigns)
- **Externally designated by donor** (Must fit charitable purpose and be accepted by congregation. Can't be directed to a specific person, family, or non-qualified donee.)

KP

Did the donor relinquish control?

## Acting as a Conduit

Conduit = it's the donor telling you what to do and doesn't fit what the congregation wants

You want to help your neighbour or family member, so give through the church to get a tax receipt, but congregation has no connection with the person, no process to help identify need, and no program.

For example,

Your cousin has cancer, want to help them out, give \$5000 to congregation for them to pass on.

Vs.

Your congregation is raising funds to support your cousin with cancer, identified by committee – type of thing they normally do. If they raise too much \$, they forward to another person with cancer.

KP	Did the donor relinquish control? <h2>Returning Gifts</h2>	
	<ul style="list-style-type: none"> <li>• Made by mistake              ie. \$4000 online and meant to give \$40 – obvious error</li> </ul>	<ul style="list-style-type: none"> <li>• Determined the gift doesn't fit your charitable purposes – return <b><u>before</u></b> receipted</li> </ul>

A registered charity can't return gifts UNLESS – made by mistake, given before receipted (ideally before deposited)

Otherwise – if you need to change designated – you have to go to court. If there is one original donor, you could go to them, to renegotiate terms – it's a bit of a grey area because they have relinquished control when they gave the gift, but if they agree, it's probably ok to reallocate. Better to have re-allocation terms in an acceptance policy or gift agreement or when you advertise special funds.

KP	<p>Externally Designated Gifts</p> <h2>Gift Acceptance Policy</h2>
	<p>Once gift is receipted, you can't change the purpose so having policies about what you will and won't accept, and what happens if a fund is oversubscribed can help.</p>

So be sure your counters know not to deposit designated gifts until purpose is **approved**

**A few internally designated funds can help people who want to direct donations.**

KP	<p>Externally Designated Gifts</p> <h2>Gift Agreements</h2>
	<p>Background  Purpose &amp; Distribution (Be as broad as possible)  Oversight and Reporting  Re-allocation clause  Amalgamation/Dissolution clause  Signatures of donors  Signatures of two Trustee Board reps</p>

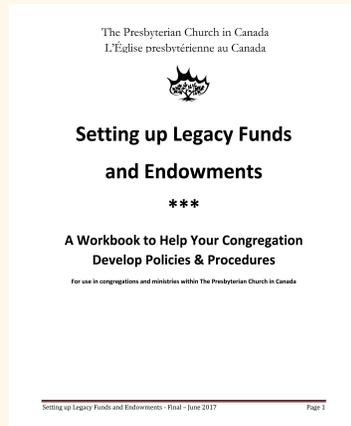
Gift agreements can help with large gifts.  
**The xx Presbyterian Church, xx, ON,  
Xxxx Fund (ie Building Maintenance Fund)**

Ask PCC if interested in samples.

KP

Did the donor relinquish control?

## Legacy & Endowment Funds



**Setting up Legacy Funds & Endowments** contains sample policies and procedures to help your congregation create funds to ensure they are a blessing for your congregation's mission and ministry.

[presbyterian.ca/resources/  
planned-giving-resources/](http://presbyterian.ca/resources/planned-giving-resources/)

Large legacy gifts can be a headache for congregations – if they are received and people don't know what they will do with them. Fighting over Bequests is the easiest way to guarantee there won't be future bequests.

Includes language you can cut and paste to customize one for your congregation.

KP	Did the donor receive an advantage? <b>Advantages</b>
	<ul style="list-style-type: none"><li>• Dinner or Performance at a fundraising event</li><li>• Promotional item, like a water bottle or t-shirt</li><li>• Use of property, like sanctuary for wedding</li></ul> <p><b>No advantage = Receipt for full amount</b> <b>Advantage = Deducted from receipt amount</b> (with some exceptions)</p>

Church is not a concert  
Congregational dinner – open to anyone, not an advantage . .

## Advantages & Gifts-in-Kind

# Determining Value of the Gift

Based on the **Fair Market Value** (FMV) of the advantage.

**Fair market value** = The highest price in dollars that property would bring in an open and unrestricted market.

- Willing buyer and a willing seller
- Knowledgeable, informed, and prudent
- Acting independently of each other

# Tax Credits



A word on tax credits – because that’s why we pay attention to our charitable status, and it can help people to give more.

KP	Tax Credits
	<p>Tax credit can reduce the donor's tax bill by almost half of the gift's value.</p> <p>Most don't give to your congregation because of the tax credits, but tax credits can help them give more</p>

Government of Canada encourages giving.

Most don't give to your congregation because of the tax credits – they give because they believe in the mission – and they are giving to God , but tax credits can help people may give more than they think – so they are important

# Tax Credits by Province

**Average = 45-46%**

Sources:  
[canadahelps.org/en/tax-time/](https://canadahelps.org/en/tax-time/)  
[mackenzieinvestments.com](https://mackenzieinvestments.com/charitable-giving-tax-credit-calculator)  
charitable giving tax credit calculator

Alberta	50%
British Columbia	43%
Manitoba	46%
New Brunswick	47%
Newfoundland & Labrador	43%
Northwest Territories	43%
Nova Scotia	49%
Nunavut	40%
Ontario	40%
Prince Edward Island	45%
Quebec	53%
Saskatchewan	44%
Yukon	41%



Results do not include the 33% federal tax credit that is available to those with income over \$200,000 (2016 \$ equivalent). Information on this can be found on the CRA website.

The information is based on current marginal tax rates and is intended for illustration purposes only. The numbers may not capture all tax benefits available in provinces that have a surtax, and your marginal rate varies with your income – so it's just to give you an idea. This information should not be relied upon or construed as legal or tax advice. Readers should consult with their advisors, lawyer and tax professionals for advice before employing any of these strategies.

<https://www.canadahelps.org/en/tax-time/>

<https://www.mackenzieinvestments.com/en/services/mackenzie-charitable-giving-program/charitable-giving-tax-credit-calculator>

## Tax Credits, in Life

75% of net income reportable in  
any one year (except Quebec)

Carry forward for 5 years

Spouses can split receipts

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## Tax Credits in Life

A person with taxable income of \$100,000 donates \$3,000.

**Federal tax credit**

**\$30** (15% on the first \$200)

**\$812** (29% of \$2,800)

**Provincial tax credit**

**\$20** (10% on the first \$200)

**\$588** (21% on the remaining \$2,800)

**\$1,450** is their total tax credit.

**Cost to make donation:**  $\$3,000 - \$1,450 = \$1,550$

(A little less than 50% - 48% - for illustration purposes we have used 46% - CAGP suggests 45%)

Ranges from 40% in Ontario to almost 49% in AB

Cost to make the donation assumes that they are paying tax and can use the tax credit.

## Tax Credits in death



Probably your largest tax bill because all property deemed disposed



Final (terminal) tax return and estate tax return



Graduated Rate Estate stretches savings to help use all tax credits.

Graduated Rate Estate: Terminal Tax return (100%) and Prior Year Tax return (100%) and Estate return (75%)

It's a great time to use credits to make it possible to give – doesn't cost your heirs as much as you think.

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## **Gift of Securities**

**No Capital Gains Tax**

When given as a gift-in-kind to charity, there is no tax paid on publicly traded securities. So it's a great way to give more, for less, now or through your estate.

Tax receipt we send will indicate the # of shares and their value on the day of the gift

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# Ways to Receive & Receipt

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## Ways to Receive & Receipt: Cash Gifts

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Includes debit, cheque, and credit  
card, online payments

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Ways to Receive

KP 2a

# Offering Plate

- Cash
- Cheques
- Envelopes

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## Offering Plate

- Counted & recorded in church
- Min. 2 counters (not related)
- Take to deposit promptly

*Exercise caution about time and location of the deposit and the safety of the depositor*

Many congregations use a night depository facility at their bank; the Sunday morning offering is deposited by the counting team on their way home from Church. However, with COVID, that has been adjusted for when people could go in

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## Depositing Offerings

- Bank account belonging to congregation
- Separate accounts for operating fund and special funds recommended

*On Jan 13 we'll cover Recording & Reporting Offerings*

### **7.3 BANKING**

The *Book of Forms* requires that the bank accounts be identified as belonging to the congregation, and that all funds received be deposited without delay.

The Treasurer receives the duplicate deposit slip, which will be used in the monthly bank reconciliation. It is often desirable that a congregation maintain separate bank accounts for its Operating Fund, and any special funds, such as a Building Fund or any endowment funds.

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Ways to Receive

## Digital Gifts

- Pre-Authorized Remittance (PAR)
- E-transfers
- Online
- Terminals
- Apps

In these times of distance worship, it's a good idea to make sure your congregation is able to give using digital giving methods. Let's review each of these briefly, talking about

JM	<ul style="list-style-type: none"> <li>• Ways to Receive</li> </ul> <h2>Pre-Authorized Remittance (PAR)</h2>
	<ul style="list-style-type: none"> <li>• Intentional, proportional, faithful</li> <li>• Costs the church only \$0.50/donor each month with a max \$45/month</li> <li>• Requires PAR contact person</li> <li>• Administered by UCC <ul style="list-style-type: none"> <li>• working from home</li> <li>• temp. mailing address</li> </ul> </li> </ul>

Most PCC churches are now set-up for Pre-Authorized Remittance. The United Church of Canada administers the program for the PCC, keeping costs low for churches. It costs the church only \$0.50/donor each month with a monthly maximum of \$45/month for a congregation. A congregation can sign-up even if they have only one donor who wants to give in this way.

To set up PAR for your congregation, you'll need to assign someone to be the contact person. The PAR contact person sends the completed PAR forms and void cheques with an explanatory letter to the PAR contact at the United Church of Canada. There are instructions online or you can contact the Stewardship Department for help.

By the way, the United Church of Canada staff are working from home, so you don't mail PAR documents to the address listed on the PAR form. Instead, you mail them to the PAR administrator's home office using a special address you can find on our website.

JM

- Ways to Receive

## Interac<sup>®</sup> eTransfer Donations

- Donor pays fees (if any)
- Not available from all banking institutions
- Often requires active debit card
  - Caution
- Request contact info for tax receipt
  - Funds must come from donor's account
- Official church email (not gmail/hotmail etc.)
- More secure with auto-deposit
- 2 people manage process

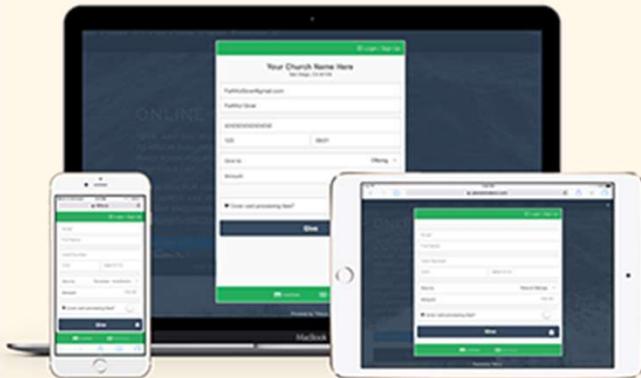


- Interac eTransfers are the most cost-effective way to receive donations
- However, some credit unions are not part of the Interac network and some branches resist giving churches access to receiving eTransfers
- Anecdotally, we've found that, in order to activate online banking, and thereby make it possible to receive eTransfers, many banks require the church to enable a debit card, usually with a minimum spending limit
  - The potential for problems of temptation with a debit card are such that a church should be cautious in setting this up
- Ensure there is an electronic trail of the transfer of funds and email records for both the donor and the congregation.
- Determine who is responsible for managing the e-Transfers. When the e- Transfer email is received, it can be forwarded to two people—perhaps the treasurer for deposit and the envelope steward to record the gift for receipt. Having two people involved helps safeguard the assets of the church and the reputation of those involved.
- Use an official church email address to receive the gift rather than a personal email address. You might want to use or create a specific email address for gifts so that only the people who are responsible for receiving the gifts have access to it. Keep copies of the emails informing of the transfer in your financial files with other donation records.
- Set up your account so that the e-Transfers are automatically deposited. This bypasses the Question & Answer password step (which can be insecure) and prevents someone

from mistakenly depositing the funds into their personal bank account. When the donor is making the transfer, they will be informed that the e-Transfer money will be directly deposited.

- Be sure to get the full name and address of the donor so that you can issue the charitable tax receipt. Remember that receipts must go to the person who sent the funds—so donors must send the funds from their own bank account.

## Ways to Receive Online



- Donate button on website
- Leads to form
  - Embedded or
  - On provider's site
- Available 24/7
- Offers easy monthly giving
- CanadaHelps.org and Tithe.ly

Online donation forms on your website make it possible for people to give online, 24 hours a day and seven days a week. It's a good option for people who have moved away from your congregation, but still want to give, and most services offer easy monthly giving. We once had a person who wanted to donate monthly to a former congregation. They had e-transfers but no donation form on their website. Once they learned someone wanted to give that way – they were quick to adapt! The donate button on your website leads to a form that is either embedded on your website, if you have the necessary security protections, or links to a proprietary form set-up for your church on the service's website. Although there are a few more services out there, the Stewardship Department has found that either CanadaHelps.org or Tithe.ly seem to serve the majority of congregations, and I'll explain the difference between them.

# Online options

**DONATE**

## CanadaHelps.org

- Foundation
- Church has a “profile”
- CanadaHelps provides tax receipt
- Church receives funds from CanadaHelps
- Donor is CanadaHelps’ donor

## Tithe.ly

- Payment system
- Church has an account
- Church provides tax receipt
- Church receives funds from donor
- Donor is church’s donor

CanadaHelps.org is a foundation, so the donor is considered a donor of CanadaHelps. CanadaHelps collects the donor information and issues the tax receipt and the church merely receives the funds. The donor has to give permission for their personal information to be shared with the congregation. (Most do – but the church needs to claim its account to learn who gave the funds.) Some smaller churches are happy that the tax receipting responsibilities are taken care of, knowing they can get the donor’s information to send a thank you note. Others prefer to have more control over their donations.

Tithe.ly is a payment system. For churches, the experience is more like online banking. With Tithe.ly, the “donate” button on your church website is a tool for your church to receive the funds. The donor is the church’s donor and your church collects all the contact information and provides the tax receipt.

JM	<h1 style="text-align: center;">Online options</h1> <div style="text-align: right;"><a href="#" style="background-color: #4a7ebb; color: white; padding: 5px 15px; border-radius: 5px;">DONATE</a></div>	
	<h3>CanadaHelps.org</h3> <ul style="list-style-type: none"> <li>• No set-up fee</li> <li>• Will mail cheque             <ul style="list-style-type: none"> <li>• or set-up auto-deposit</li> </ul> </li> <li>• 4% per transaction</li> <li>• 3.75% if claim profile             <ul style="list-style-type: none"> <li>• Monthly lower</li> </ul> </li> <li>• Gift under \$30, CanadaHelps fee is lower</li> </ul>	<h3>Tithe.ly</h3> <ul style="list-style-type: none"> <li>• No set-up fee</li> <li>• Must set-up auto-deposit             <ul style="list-style-type: none"> <li>• Need bank info to set-up</li> </ul> </li> <li>• 2.9% + 30¢/transaction</li> <li>• PCC discount: 2.75% + 30¢</li> <li>• Gift over \$30, Tithe.ly fee is lower</li> </ul> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p><b>Jim MacDonald will help you set-up</b></p> </div>

Both services do not charge a set-up fee. For single donations, CanadaHelps.org charges a fee of 4% per transaction but if your church claims its charity profile on CanadaHelps.org and sets-up a Customizable Donation Form (CDF), the fee is reduced to 3.75%. (There are different rates for monthly donations.)

Tithe.ly charges 2.9% + 30¢ per transaction but PCC churches get a special rate of 2.75% + 30¢ per transaction for VISA/Mastercard and debit transactions; the fee for American Express is higher.

How do these fee structures compare? For a gift of less than \$30, CanadaHelps.org's transaction fee is lower than Tithe.ly's fee. For any gift over \$30, Tithe.ly's fee is lower. However, the difference in fees isn't that great. The transaction fee for a \$20 gift would be 75¢ for CanadaHelps.org and 85¢ for Tithe.ly. The transaction fee for a gift of \$100 would be \$3.75 for CanadaHelps.org and \$3.05 for Tithe.ly. The more important difference is how the two organizations are structured. I would say for larger churches, they would prefer to have more control and be able to provide comprehensive tax receipts for their donors. However, for smaller churches, CanadaHelps.org makes things simple.

Ways to Receive

# Apps

- Some PCC churches use Tithe.ly app (addl. \$)
- Custom branding and layout
- **Mobile giving**
- Groups and chat
- Newsfeed/push notifications
- Sermon/podcast player
- Can be a good communication tool but must be updated or users learn to ignore



Tithe.ly and other church management systems offer the ability to create an app platform for your church. If your church has or wants to attract a community of people who prefer to work with mobile devices, an app offers tools through an easy to install icon on their cellphone or tablet. For instance, with the Tithe.ly app, **in addition to giving a donation** members can take interactive sermon notes, listen to messages on the go, access small group material, check the prayer list, engage with your real time church newsfeed, and more. **Because it's more than just about giving, you need to have the rest of the church staff onboard.**

JM

## Ways to Receive Terminals



- Fewer people carry cash (50%)
  - esp. during/after pandemic
- Terminals costs about \$300
- Square (most economical)
  - Debit (Interac 10¢/trans. w/WiFi)
  - Credit Card (2.65%/trans.)
  - Manual input (3.4% + 15¢)
- Can add donor list to device
- Tap makes giving fast/safe

Nowadays fewer people carry cash. In a recent survey in the US, more than 50% of people said they carry cash only occasionally. I'm sure this is equally true for Canada. As a consequence, spontaneous in-person giving is made more difficult because people often make all their purchase with their card or mobile device. A credit/debit card terminal is the answer. There are three competitors in this space right now, Square, Stripe and Cloverflex and Square is the least expensive of the three. Fees charged for debit card transactions are ten cents per transaction, if the terminal is connected to the web and the transaction can be verified in real time. Credit cards cost more, as you can see, but the ability to tap makes these devices infinitely easier than setting-up a computer with a copy of your online giving form and expecting people to fill all that out in the narthex of the church. These devices can store your entire membership list, so an usher can quickly select the donor's name from the list and the donor can tap to give rapidly. The process is still a little too slow for giving during the offering, but it's rapid enough to be considered painless and convenient by the donor.

JM

# Donation Tracking

- 12% use manual systems to track donations.
- 26% use Excel
- Powerchurch 11% (CMS customizable for Canadians, no payroll)
- Coopersoft 14% (smaller churches - Canadian)
- Offering Helper (small company, users like)
- Other Church management systems (Donarius, Churchwatch, Servant Keeper, Realm, Breeze)
  - Dedicated donation tracking
  - Most will issue tax receipts and generate reports

Dedicated Donation tracking software can help congregations track donations and communicate with donors.

Most of these tools will issue tax receipts and generate reports.

Some offer additional features that help manage every aspect of church life including

membership data,

children's check-in,

event management,

small-group management,

volunteer scheduling and management,

along with automated workflows and dashboards to measure and summarize it all.

This level of software serves little purpose without many parishioners and volunteers to manage. As such, it is designed to serve quite large churches and comes with commensurate costs.

JM

# Receipt Basics



Jim: I'll hand over to Karen to talk about Receipt Basics

KP

## Receipt Basics

Only **registered charities** or **qualified donees** can issue receipts.

Donors cannot claim a tax credit without a receipt.

Issue by end of February or earlier!

Be sure to maintain your charitable registration!

Last week – it's not the law that it be the end of Feb – and may be circumstances that you can't, but it's a best practice.

KP

## What should it look like?

Design & format is up to the congregation but it must include the following info prescribed by law:

### Notes:

- A receipt cannot be made out to anyone other than the person who gave the cash/property
  - i.e. someone gives \$20 to the church and asks that the receipt be made out in someone else's name - NO
- Receipt must have donor's address
  - ✓ if you don't have the address you cannot issue the receipt – if it's an individual, it should be their home address, a business could be a business address
- Receipt format is left to the discretion of the congregation, but must contain specific information prescribed by law

KP	<p style="text-align: right;">Receipts Must Contain</p> <h1 style="text-align: center;">1. Charity &amp; CRA Details</h1> <p style="text-align: right;">Static Elements</p>
	<ul style="list-style-type: none"> <li>• Statement: Official receipt for income tax purposes</li> <li>• Name and address of charity</li> <li>• Charitable registration number</li> <li>• Serial number of receipt</li> <li>• Place or locality where the receipt was issued</li> <li>• Signature of an individual authorized by the charity</li> <li>• Name and Website address of CRA             <ul style="list-style-type: none"> <li>• <a href="http://www.canada.ca/charities-giving">www.canada.ca/charities-giving</a></li> </ul> </li> </ul>

All official receipts must contain: (Part I)– this is the information that doesn't change!

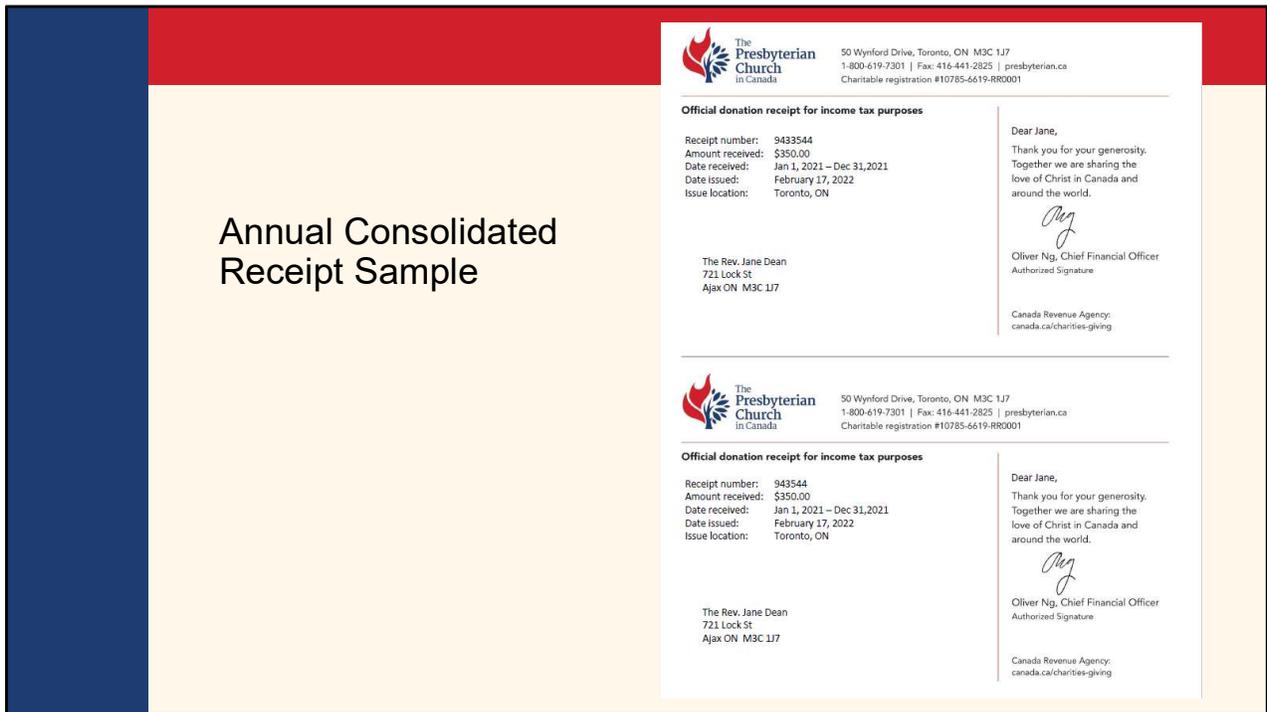
- A statement that it is an official receipt for income tax purposes
- Name and address of the charity
- Charity's registration number
- Serial number of the receipt
- Place or locality where the receipt was issued
- Day or year donation was received
- Day on which the receipt was issued if it differs from day of donation

KP	<p style="text-align: right;">Receipts Must Contain</p> <h2 style="text-align: center;">2. Donation Details</h2> <p style="text-align: right;">Variable Elements</p>
	<ul style="list-style-type: none"> <li>• Date gift received <ul style="list-style-type: none"> <li>• Consolidated (year) vs. One-per-gift (dd/mm/yr)</li> </ul> </li> <li>• Day on which the receipt issued (dd/mm/yr)</li> <li>• Full name and address of donor</li> <li>• Amount of gift</li> <li>• Eligible amount of gift</li> <li>• Value and description of any advantage</li> </ul>

### 2019 Receipts (Cont'd.)

All official receipts must contain: (part II)

- Full name, including middle initial, and address of the donor
- Amount of the gift
- Value and description of any advantage received by the donor
- Eligible amount of the gift – different if there is an advantage
- Signature of an individual authorized by the charity
- Name and Website address of the Canada Revenue Agency – [www.Canada.ca/en/services/taxes/charities](http://www.Canada.ca/en/services/taxes/charities)



## Annual Consolidated Receipt Sample

This is what the PCC Receipt looks like. We do two copies on one page. It can be folded so the name and address can be seen in a window envelope. A brief thank you. When designing – don't need a whole lot more. On the right and top ,static properties, in the center/bottom are the variable elements. This is for the annual consolidated receipt. Let's look at the elements closer.

## Annual Consolidated Receipt Sample



50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | presbyterian.ca  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Receipt number: 9433544  
Amount received: \$350.00  
Date received: Jan 1, 2021 – Dec 31, 2021  
Date issued: February 17, 2022  
Issue location: Toronto, ON

The Rev. Jane Dean  
721 Lock St  
Ajax ON M3C 1J7

Dear Jane,

Thank you for your generosity.  
Together we are sharing the  
love of Christ in Canada and  
around the world.

A handwritten signature in cursive script, appearing to read 'Ng'.

Oliver Ng, Chief Financial Officer  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](https://canada.ca/charities-giving)

No fund details, everything is included – date range. Should be all the financial gifts, if this is how you are doing them. If you are doing one-off, online donation receipts, separate from envelopes, be specific: online gifts vs. envelope gifts.

We don't want duplicated receipts.

## One-Receipt-per-Gift Sample



The  
Presbyterian  
Church  
in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | [presbyterian.ca](http://presbyterian.ca)  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Receipt number: 94367  
Amount received: \$50.00  
Date received: September 15, 2021  
Fund(s) Desc: Presbyterians Sharing  
(A maximum of 2 funds are listed)  
Date issued: November 30, 2021  
Issue location: Toronto, ON

Ms Maggie Leung  
123 Wynford Drive  
Toronto ON M3C 1J7

Dear Maggie,  
Thank you for your generosity.  
Together we are sharing the  
love of Christ in Canada and  
around the world.

Oliver Ng, Chief Financial Officer  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

On the one receipt per gift we include a fund description (note that we only have room to include 2 funds)

It has a specific date listed and issued.

Everything else is very similar to annual consolidated receipt.

KP

## Remember

**Details of person/business who  
gave cash/property**

*Someone else's name? No!*

**Must have donor's resident address**

No address = no receipt

### Notes:

- A receipt cannot be made out to anyone other than the person who gave the cash/property
  - i.e. someone gives \$20 to the church and asks that the receipt be made out in someone else's name - NO
- Receipt must have donor's address
  - ✓ if you don't have the address you cannot issue the receipt – if it's an individual, it should be their home address, a business could be a business address

KP	Advantages <b>Split Receipting</b>
	\$10 donation - \$2 water bottle (advantage) = \$8 receipt

Church is not a concert  
Congregational dinner – open to anyone, not an advantage . .

## Receipt Sample with an Advantage



The  
**Presbyterian**  
**Church**  
in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | [presbyterian.ca](http://presbyterian.ca)  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Receipt number: 94365  
Amount Received: \$150.00  
Advantage: \$90 Dinner  
Eligible amount of gift: \$60.00  
Date received: Tuesday, November 16, 2021  
Date issued: December 1, 2021  
Issue location: Toronto, ON

Julia Mendez  
123 Wynford Drive  
Toronto ON M3C 1J7

Dear Julia,

Thank you for your generosity.  
Together we are sharing the  
love of Christ in Canada and  
around the world.

Oliver Ng, Chief Financial Officer  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

KP

Advantages  
**Intention to Give Threshold**

The value of the advantage received has to be less than 80% of the gift.

**Example**

- \$100 donation + \$90 dinner (advantage) = no receipt
- \$150 donation + \$90 dinner (advantage) = \$60 receipt from charity (because dinner is 60% of the gift)

KP	Advantage <b><i>De minimis</i></b> rule
	<p>If the advantage does not exceed <b>either</b> \$75 or 10% of the gift (whichever is less), then the advantage is not deducted from the value of the gift.</p> <p>Does not apply to:</p> <ul style="list-style-type: none"><li>• Cash or near-cash equivalents</li><li>• Core element of a fundraising event</li></ul>

Church is not a concert

Congregational dinner – open to anyone, not an advantage . .

KP

Advantage  
***De minimis* rule examples**

**A donor gifts \$200 to your congregation**

- You give the donor a t-shirt worth \$15
  - The t-shirt is worth less than 10% of the \$200 gift
- Issue a receipt for the full \$200.

**A donor gifts \$50 to your congregation**

- You give the donor a cross keychain valued at \$10
  - Keychain is more than 10% of the value of the gift
- Issue a receipt for \$40.

KP

Advantage  
***De minimis* rule examples**

**A donor gifts \$2000 to your congregation**

- You give the donor a wine bottle valued at \$100
- Wine is less than 10% of the gift but, it is greater than \$75

Issue a receipt for \$1900.

KP

## Ways to Receive & Receipt: Non-Cash Gifts

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KP

## Gifts-in-Kind: Determining the Fair Market Value (FMV)

### **Property under \$1,000**

Competent person with sufficient knowledge can determine FMV. (Can be connected to charity.)

### **Property over \$1,000**

Professional appraiser not connected to the charity or donor should determine FMV.

KP

## Gifts-in-Kind: Deemed Fair Market Value (FMV)

The **deemed** FMV = the cost to acquire the gift.

It must be used when:

- The donor acquired the gift less than three years before donating it;  
OR
- The donor initially acquired the gift as part of a tax shelter arrangement;  
OR
- The donor acquired the gift less than 10 years before donating it, with one of the main purposes being to give the property to a qualified donee.

No speculation/income earned without paying tax. Buy communion tokens for \$50 on e-bay and then donate them to the museum, valued at \$5000.

KP

## Gifts-in-Kind (Deemed Fair Market Value)

### Example

- A donor buys a communion tokens for \$50 on e-bay and then six months later donates the work to the Presbyterian Church Heritage Center.
- The tokens are appraised at \$5,000;
- The registered charity would issue the donor an official donation receipt for \$50.

If they were inherited, or in family for a long time, no problem.

If they were bought for the purpose of making a donation, need to keep for 10 years.

Have to ask the donor as part of your due diligence. It's up to the donor to be honest.

KP

## Can I donate a service?

**No, service is not property**

### **Exceptions**

Gifted materials (which are property);  
*and/or*

Service provider voluntarily returns a  
payment as a gift.

KP

## Donation of Services Example

*Joseph's Carpentry Inc.* donates shelves for the church library

- |                      |       |
|----------------------|-------|
| • Building materials | \$200 |
| • Labour             | \$300 |
| Total cost           | \$500 |
- **Option 1** Receipt: \$200 for building materials  
OR
  - **Option 2** Receipt: Pay invoice, Joe writes a cheque for \$500 and receives receipt for \$500, Joe reports \$500 income. This creates a paper trail and he pays tax. (can't just endorse cheque)

Can't just endorse the cheque – needs to deposit it.

KP

## Gift certificates / gift cards

### **If donated directly by the store (the issuer):**

Receipt can **only** be issued when the gift certificate is redeemed.

### **If donated by a 3<sup>rd</sup> party:**

Receipt can be issued immediately.

= someone buys a gift certificate and gives it to the congregation (store has the income)  
vs. a store gives the gift certificate (they don't have the income yet, because no one gave them cash).

KP

## Gift-in-Kind Receipts

- **Brief description of property transferred to congregation**
- **Name and address of appraiser**
- **Fair market value of property**

For non-cash gifts (gifts in kind), the receipts must include these additional items:

- Brief description of the property transferred to the congregation
- Name and address of the appraiser (if it was appraised)
- Deemed fair market value of the property in place of the amount of gift above



The  
**Presbyterian**  
**Church**  
 in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
 1-800-619-7301 | Fax: 416-441-2825 | [presbyterian.ca](http://presbyterian.ca)  
 Charitable registration #10785-6619-RR0001

**Official donation receipt for income tax purposes**

Gift: Communion token collection offered to the  
 Presbyterian Church Heritage Centre

Receipt number: 94365

Eligible amount for  
 tax receipt purposes: \$26,462.00

Date received: Tuesday, November 16, 2021

Date issued: December 1, 2021

Issue location: Toronto, ON

Appraised by Colonial Acres Coins, 20 Queen St E, Toronto, ON M5C 3G7

John Doe  
 123 Wynford Drive  
 Toronto ON M3C 1J7

Dear John,

Thank you for your generosity.  
 Together we are sharing the  
 love of Christ in Canada and  
 around the world.

Oliver Ng, Chief Financial Officer  
 Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

KP	Ways to Receive <b>Legacy &amp; Planned Gifts</b> <span style="float: right;">KP 2a</span>
	<ul style="list-style-type: none"><li>• Securities</li><li>• Annuities</li><li>• Insurance</li><li>• Bequests</li><li>• Gifts of Residual Interest</li><li>• Charitable Remainder Trusts</li></ul>

Planned Gifts – because they require planning

Legacy Gifts – because they tend to be given from savings to support future ministry of the church

Jim and Maggie are going to present these:

ML	Ways to Receive <b>Securities</b>
	Selling appreciated publicly traded securities on a recognized stock exchange –capital gain is taxable to donor <b><u>unless</u></b> given directly to a charity.

Some congregations have stock broker working with them, feel free to use your stock broker.

In any case, PCC is able to process stock donations for your congregation.

Canada Revenue Agency accepts the closing bid price of the share on the date it is received as the fair market value of the shares. It can also accept the midpoint between the high and the low trading prices for the day if that is a better indicator of fair market value on normal and active market trading. A charity may wish to get professional advice to determine the value of shares that are not publicly traded.

ML

## Securities Example

\$50,000 securities to give, original cost \$20,000. Donor's marginal tax rate is 46%.

	Sells shares donates proceeds	Donates shares as a gift-in-kind
1. Value of shares	\$50,000	\$50,000
2. Capital gain	\$30,000	\$30,000
3. Capital gain tax (#2 x 50% x 46%)	\$6,900	\$0
<b>4. Value of gift and tax receipt (#1 - #3)</b>	<b>\$43,100</b>	<b>\$50,000</b>
5. Income tax credit (#4 x 46%)	\$19,826	\$23,000
<b>6. Cost to make the gift (#1 - #5)</b>	<b>\$30,174</b>	<b>\$27,000</b>

**Giving securities as a gift-in-kind costs less to give more!**

If the person sells the \$50,000, reserves the \$ to pay the tax and then makes the gift, the gift will only be \$43,100. Their tax credit is less . . .so the cost to make the gift is more.

However, if they donate the \$50,000 as a gift-in-kind, they don't have to pay the capital gains tax, and so the gift is MORE and their tax credit is more, so it actually costs them less to give more to the congregation. It's a little mind boggling.

ML	<p>Ways to Receive</p> <h2 style="text-align: center;">Securities Donation at PCC</h2>			
	<p>PCC accepts gifts of securities for any congregation or ministry (Presbyterians Sharing, PWS&amp;D, Indigenous ministries etc.)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Donor</b></p> <ul style="list-style-type: none"> <li>· Completes Gift of Publicly Traded Securities form</li> <li>· Send completed form to broker and national office</li> </ul> <p><b>PCC broker</b></p> <ul style="list-style-type: none"> <li>· Sells stock shortly after received.</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p><b>PCC national office</b></p> <ul style="list-style-type: none"> <li>· PCC issues charitable tax receipt to donor based on closing market value the day the PCC broker receives the stock</li> <li>· Stock sales proceeds less PCC broker fees go to beneficiaries</li> </ul> </td> </tr> </table>		<p><b>Donor</b></p> <ul style="list-style-type: none"> <li>· Completes Gift of Publicly Traded Securities form</li> <li>· Send completed form to broker and national office</li> </ul> <p><b>PCC broker</b></p> <ul style="list-style-type: none"> <li>· Sells stock shortly after received.</li> </ul>	<p><b>PCC national office</b></p> <ul style="list-style-type: none"> <li>· PCC issues charitable tax receipt to donor based on closing market value the day the PCC broker receives the stock</li> <li>· Stock sales proceeds less PCC broker fees go to beneficiaries</li> </ul>
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Stock price fluctuates, sold amount may be different from the time the stock is received by PCC broker.

ML

## Gift of Securities Receipt Sample



The  
Presbyterian  
Church  
in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | presbyterian.ca  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Gift-in-kind: Securities  
Receipt number: 94367  
Amount received: \$5,000.00  
Units of stock: 250 Units of ABC Inc.  
Date received: November 17, 2021  
Date issued: November 30, 2021  
Issue location: Toronto, ON

Maggie Leung  
123 Wynford Drive  
Toronto ON M3C 1J7

Dear Maggie,  
Thank you for your generosity.  
Together we are sharing the  
love of Christ in Canada and  
around the world.

Oliver Ng, Chief Financial Officer  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

The receipt needs to include the units of stock and the value of the stock received - because they will use it to not pay their capital gains taxes.

ML	Ways to Receive <b>Annuities</b>
	<b>Charitable Gift Annuities</b> <ul style="list-style-type: none"> <li>• Irrevocable gift made to any PCC congregation or ministry, and in return, the donor gets guaranteed stable income for life</li> <li>• Single or Joint (spouse or sibling)</li> <li>• One-time charitable tax receipt for min. of 20% of total annuity (% increase with age, when acquired and size of gift)</li> </ul>

Ideal planned giving vehicle for people 60 or older who would like to leave a gift to the church after they die, but also need to receive a steady income during their lifetime.

Self-insured annuity by PCC.

PCC is a member of the Canadian Charitable Annuity Association – works with its members to set standards, self monitors the ethical and technical aspects of charitable gift annuities.

ML

## Ways to Receive Annuities



- Giollo Kelly bought a gift annuity: \$10,000 for PCBC in 1994
- When she died fifteen years later, she had received nearly \$11,000 in total payments (87% tax-free)
- Left a legacy of nearly \$7,500 for PCBC

Gift Annuity Quotation			
The Presbyterian Church in Canada			
		Date quoted	November 30, 2021
		Quote good up to and including	November 30, 2021
Name	John Doe		
Address	0		
Telephone	0		
Other	0		
<b>First Life</b>	Sex	Male	
	Birthdate	May 17, 1937	
	Age nearest birthday	85	
	Single life or joint/survivorship	SingleLife	
<b>Second Life</b>	Sex	N/A	
	Birthdate	N/A	
	Age nearest birthday	N/A	
Date of donation	November 30, 2021		
Date of first payment	January 1, 2022		
Donation total	\$	50,000.00	
Immediate charitable donation receipt	\$	17,418.79	
Annuity Rate**	7.34		
Payment frequency	Semi-Annually		
Periodic payment	\$	1,835.88	
Total annual payments	\$	3,671.75	
Non-taxable portion of total annual payments	100% \$	3,671.75	
Taxable portion of total annual payments	0% \$	-	
First payment	January 1, 2022	\$	324.57
Non-taxable portion of first payment	100% \$	324.57	
Taxable portion of first payment	0% \$	-	

\*\*Annuity Rate is the annual payment/100 donation and is a blend of interest and part of the principal.  
For Internal Use Only.

## Ways to Receive Charitable Gift Annuity

- Age 60 or older  
Minimum \$10,000
- Annuity Rate based on bond yield rates (update weekly)
- Choice of payment frequency
- Tax free and taxable payment portions
- Provided by PCC to benefit any congregation or ministry

Donors who are interested in getting a Charitable Gift Annuity can contact Maggie.

Start by collecting the donor's information, esp. date of birth, and the amount they wish to donate, then we will run an annuity quote.

The quote forms the foundation of the terms on the Charitable Gift Annuity

- Amount donated, receipted amount
- Annuity rate (rate at which the annuity will pay out – it doesn't change once set)
- Annuity payment amount and frequency
- Tax free and taxable payment portions

The donor is guaranteed the payment amount and frequency for life. When the donor dies, the money remaining in their annuity account will be sent to the designated beneficiaries (congregation or ministry).

The PCC provides them to benefit any Presbyterian congregation or ministry.

JM

Ways to Receive

## Insurance – 4 Ways to Give

### **Paid-up Policy**

- Transfer ownership to charity
- Immediate tax receipt
  - portion of cash value
  - or, if continue to make payments (not to estate)

### **Named Beneficiary**

- Revocable
- Tax receipt to estate

- 1) A donor can transfer the ownership of an existing policy. The church will issue you an immediate tax receipt for a portion of the policy's cash surrender value, if any. If you continue to pay annual premiums after transferring the policy, the church will issue regular tax receipts (and no tax receipt will be issued to your estate). Use the receipt for this year's income tax return (up to 75% of your net income) and carry forward any unused portion for up to five years. (Note: there may be a tax liability when you transfer ownership of the policy to the church.)
- 2) If you already have a policy, you can change the beneficiary to The Presbyterian Church in Canada or your congregation. Because this is a revocable gift, we are unable to issue you an immediate tax receipt, but your estate will be issued a receipt for the entire amount of the life insurance policy in the year the gift is received. This receipt can be used on your final tax return (up to 100% of your net income, with unused credits applicable up to 100% of your net income for the previous year).

JM

Ways to Receive

## Insurance – 4 Ways to Give

### **New Policy**

- Church as owner and beneficiary
- Tax receipt for payments (not to estate)

### **Combined Gift**

- E.g., use annuity payments to pay insurance premiums
  - Legacy to church or Inheritance for heirs

- 3) You can purchase a new policy with the church as owner and beneficiary. The church will then issue a tax receipt for the annual premiums you pay after transferring the policy. In this case, no tax receipt will be issued to your estate because you benefit from the tax relief during your life. This is a creative way for those who are younger and may not have substantial assets to leave a significant legacy to the church.
- 4) Combine life insurance with another planned giving vehicle. For example, you could use the extra income you receive from a charitable gift annuity to purchase a life insurance policy. You could use this insurance to increase your legacy to the church or to provide a substantial inheritance for your heirs.

JM

## Insurance Sample

Total premiums paid (10 years x \$3,000)	\$30,000
Total amount of charitable receipts issued	\$30,000
<b>After-tax* cost of policy</b>	<b>\$16,200</b>
Total Gift to the church will be	\$150,000

\*Assumes a combined provincial and federal charitable tax credit of 46 percent (after the first \$200 in charitable givings. Note: Provincial tax credit rates differ).

Ms. Lee, aged 45, wanted her congregation to receive a significant gift to help replace her annual givings to the church after she dies. However, she needed to keep her current capital assets intact. Ms. Lee learned that she could get a “term-to-100” life insurance policy of \$150,000 that is guaranteed to be paid in 10 years.

As a non-smoker, her policy will cost about \$3,000 per year.

However, because of the charitable donation receipts she received, Ms. Lee was able to provide a substantial future gift of \$150,000 for her church for a net after-tax cost of only \$16,200.

JM

## Insurance Receipt Sample



The  
Presbyterian  
Church  
in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | presbyterian.ca  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Gift: Life Insurance Premium  
Receipt number: 9427034  
Receipt amount: \$1,625.52  
Date received: Thursday, December 31, 2020  
Date issued: February 22, 2021  
Issue location: Toronto, ON

The Rev. Maggie Nimmo  
104 Quiet Valley Way  
Heathcote ON N0H 1N0

Dear Maggie,

Thank you for your generosity.  
Together we are sharing the love  
of Christ in Canada and around  
the world.

Diana Kellington, Accountant  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

Indicates that it is an insurance premium, and the value of the premium.

JM

## Legacy (Major or Bequests)

- **Optimal is no designations, restrictions or conditions from estate or donor**
- **Have a legacy fund you can promote**

- Best Kind - No designations, no restrictions and no conditions from estate or donor – the congregation decides how it is spent
- Gifts or estates with conditions -- look before you leap. ALSO don't deposit the cheque or accept the money until you can say yes to the conditions
- Bequests from estates or gifts from third parties with conditions once accepted cannot be changed!!
- If you want to avoid too many designations, then create one or two internally restricted funds and encourage people to give to them (don't have too many). Conditions or restrictions set up internally can be changed by the originating and approving body – include it in the policy and let people know under what circumstances they can be changed.

JM	<p>Ways to Receive</p> <h2>Bequests</h2>
	<p><b>General Bequest</b> directs that the church will receive a designated sum.</p> <p><b>Percentage Bequest</b> states that the church will receive a predetermined percentage of your estate (e.g. 10%).</p> <p><b>Specific Bequest</b> directs that the church will receive a specific piece of property such as a piece of real estate, the stock from a specific company or some other specified property.</p>

**General Bequest** directs that the church will receive a designated sum. You may prefer this arrangement because it is considered a primary charge against your estate, which means it will most likely be fulfilled. However it might be hard to decide how much you can leave, not knowing your circumstances at the time of death.

**Percentage Bequest** states that the church will receive a predetermined percentage of your estate (e.g. 10%). The advantage of is that it keeps your gift in line with the value of your assets as they change.

**Specific Bequest** directs that the church will receive a specific piece of property such as a piece of real estate, the stock from a specific company or some other specified property. *Caution: A specific bequest can be satisfied only with the property designated. If that property has been removed from the estate, the church would receive nothing in its place.*

JM	Ways to Receive <b>Bequests</b>
	<p><b>Residual Bequest</b> designates that the church to receive all or a portion of whatever remains in your estate after beneficiaries, debts and administrative fees have been paid.</p> <p><b>Contingent Bequest</b> is “contingent” on some event. It might make a primary bequest for a spouse or child, with the contingency that if that relative should predecease the donor, the bequest would pass to the church instead.</p>

**Residual Bequest** designates that the church receive all or a portion of whatever remains in your estate after all named beneficiaries, debts and administrative fees for settling the estate have been paid. The advantage of a residual bequest is that your charitable intentions will not jeopardize the amount you want to bequeath to your primary heirs and beneficiaries. The disadvantage is that there may be nothing left over to fulfill your charitable goals.

**Contingent Bequest** As the name implies, this bequest is “contingent” on some event. Usually, you might make a primary bequest for a relative (e.g. a spouse or child), with the contingency that if that relative should predecease you, the bequest would pass to the church instead.

JM	Ways to Receive <b>Bequests</b>
	Remember gift acceptance policy before receiving/receipting  Suggested wording for bequests: <a href="http://presbyterian.ca/plannedgiving/ways-of-giving-estate-planning/">presbyterian.ca/plannedgiving/ways-of-giving-estate-planning/</a>

There is specific wording for congregational bequests, esp with regards to amalgamation and dissolution of congregations and how designation might be re-allocated if need, which can be found online at [presbyterian.ca](http://presbyterian.ca)

JM

## Bequest Receipt Sample



The  
**Presbyterian  
Church**  
in Canada

50 Wynford Drive, Toronto, ON M3C 1J7  
1-800-619-7301 | Fax: 416-441-2825 | [presbyterian.ca](http://presbyterian.ca)  
Charitable registration #10785-6619-RR0001

### Official donation receipt for income tax purposes

Gift:	Bequest
Receipt number:	91111111
Amount received:	\$33,256.28
Date received:	Monday, October 25, 2021
Date issued:	December 2, 2021
Issue location:	Toronto, ON

Estate of William Wallace  
c/o Scottish Lawyers Inc.  
PO Box 1111  
Anywhere SK S0L 3P0

Thank you for your generosity.  
This legacy gift will share the  
love of Christ in Canada and  
around the world.

Oliver Ng, Chief Financial Officer  
Authorized Signature

Canada Revenue Agency:  
[canada.ca/charities-giving](http://canada.ca/charities-giving)

This receipt indicates it's a bequest. Made out to the Estate. The thank you message is slightly changed so that it reflects that it is a legacy gift and will be received by an executor of the estate, rather than the donor – who has passed away.

JM

Ways to Receive

## Other Planned Gifts

- Find out about others like Gifts of Residual Interest and Charitable Remainder Trusts at [presbyterian.ca/plannedgiving/ways-to-give-a-planned-gift/](http://presbyterian.ca/plannedgiving/ways-to-give-a-planned-gift/)

KP

## Say thank-you!

- Gratitude is contagious
- Gratitude is Biblical

Always say thank-you!

### **Gratitude is contagious. Gratitude is biblical.**

Research has shown that people will give 40% more if thanked and acknowledged. Without timely, meaningful and sincere thanks combined with detailed information on the impact of their donations, charitable organizations can lose as much as 60% of annual givings from donors within a one year period and over time, donations may drop by 80% to 90%. Most donors would appreciate a simple phone call thanking them for their donation.\*

**“For where your treasure is, there your heart will be also.”**

*Matthew 6:21*

Here are a few ideas:

- Session members could call everyone in January thanking them for their time, talents and treasures. They do not need to know how much was given; they only need to be provided with names and phone numbers. This is a simple way to say thank-you and enjoy a conversation with people in your church.
- Personal, handwritten notes can be sent out with annual tax receipts.
- Include photos and stories of the impact the donation is having in your thank-you letters so people can see God at work.
- And never combine a thank you with an additional “ask.” You want your thanks to be sincere and genuine and not seen as a way to ask for more money.

Just as God has been abundant and generous with each one of us—we can empower the generosity that already exists in every human heart.

KP

## Impact of thanking

People will give 40% more if thanked and acknowledged

Without timely, meaningful and sincere thank yous and information on the impact their donations, charitable organizations lose 60% of annual givings from donors within a one year period. Overtime this drops to 80%-90%.

Fundraising research indicates that a high percentage of individuals that support a cause they care about will give 40% more if thanked and acknowledged

KP	<h2>How to express gratitude</h2>	
	<ul style="list-style-type: none"> <li>• Thank people in many ways             <ul style="list-style-type: none"> <li>• by letter</li> <li>• phone</li> <li>• Events (throw a party!)</li> </ul> </li>   <li>• Thank you notes             <ul style="list-style-type: none"> <li>• Throughout the year and with statements</li> <li>• Personalized and handwritten!</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Acknowledge memorial gifts</li>   <li>• Be positive and encouraging</li>   <li>• Don't ask for more at the same time! (You can say thank you again when you ask for more, but best practice is to have at least one thanks with no ask.)</li> </ul>

Click - "Thank people for their giving" appears.

Thank people for their giving every chance you get.

Click - "Thank you note with statements" appears.

Include a thank you with the statements. A copy of the thank you note from the child who attended church camp with the help of a scholarship is a simple but effective way of saying thanks. You can tell about some ministry that is taking place in the congregation or community because of contributions. Keep it short and simple, and be sure to say thanks. Say "thank you" in as many ways as you can: from the pulpit, in the bulletin, in the newsletter, with personal thank you notes.

Acknowledge memorial gifts with a note to the donor as well as in the bulletin and/or newsletter.

Question to ask.

What ways of saying "thank you" have been used in your congregation?

KP

## Give regular feedback

- Report progress toward goals
- Use visual ways of reporting
- Provide regular updates via newsletter or e-news

MM	Other Sources of Revenue <b>Grants</b>
	Grants from Foundations, Government, Non-profits, PCC, Presbytery <ul style="list-style-type: none"><li>• Not receipted, but can be acknowledged</li><li>• Reported on <u>different line</u> on T3010</li></ul>

Grants from Foundations, Government, Non-Profits, PCC

MM

## Other Sources of Revenue

# Rent

### Rental of Buildings/Facilities

- Have a building use policy
- Buildings & Parking spaces can be rented out when not being used as long as the income goes to support the mission of the congregation, it should be fine. Confirmed with CRA today.

KP

## Contact Info



The Presbyterian Church in Canada  
50 Wynford Drive, Toronto ON  
M3C 1J7

Tel: 416-441-1111 or 1-800-619-7301,  
Fax: 416-441-2825

[www.presbyterian.ca](http://www.presbyterian.ca)

Canada Revenue Agency -  
[www.canada.ca/en/services/taxes/charities](http://www.canada.ca/en/services/taxes/charities)

Oliver Ng, **CFO & Treasurer**, ext 316,  
[ong@presbyterian.ca](mailto:ong@presbyterian.ca)

Diana Kellington, **Accountant**, ext 312,  
[dkellington@presbyterian.ca](mailto:dkellington@presbyterian.ca)

Karen Plater, **Stewardship & Planned Giving  
Associate Secretary** ext. 272  
[kplater@presbyterian.ca](mailto:kplater@presbyterian.ca)

Jim MacDonald, **Development Manager**, ext.  
257 [jmacdonald@presbyterian.ca](mailto:jmacdonald@presbyterian.ca)

Maggie Leung, **Gifts Administrator**, ext. 239  
[mleung@presbyterian.ca](mailto:mleung@presbyterian.ca)

We are always happy to help. Contact us if you have questions!

KP

# Thank You

Recording & Slides will be available at

[presbyterian.ca/  
leadership-webinars](https://presbyterian.ca/leadership-webinars)

Share it around!



Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.

## Coming Webinars



Thurs., Dec. 9

**Sharing God's Gifts**

*Examining Congregational Expenditures*

Thurs., Jan. 13

**Telling the Story**

*Reporting & Communicating Finances*

### Sharing God's Gifts: Examining Congregational Expenditures

Thursday, December 9, 2021      2:00-3:15pm ET

How will you spend the gifts you have received? This webinar focuses on the details of congregational expenditures including mission, payroll related matters (deductions, housing allowance, insurance, pension and benefits) property management, pulpit supply and committee budgets. It also touches on synod and presbytery assessments and how to remit to the national office.

Telling the Story: Reporting & Communicating Finances  
Thursday, January 13, 2022 2:00-3:15pm ET

Gifts were received. Expenditures were made. Now it's time to share the story of how the money was spent. This webinar focuses on the different ways of reporting finances - to Session, the congregation, Canada Revenue Agency, grant makers, lenders, and donors. Learn more about the ins and outs financial statements and how to use financial statements to share your story of mission.

Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.

KP	Q & A
	 <p data-bbox="971 562 1299 724"><b>What more do you want to know?</b></p> <p data-bbox="971 814 1344 865"><b>Use the chat . . .</b></p>

Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.

KP

# Thank You



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Sharing

[presbyterian.ca/  
leadership-webinars](https://presbyterian.ca/leadership-webinars)

Share it around!