



### **Procedure Statement:**

Guidelines for the giving and receiving of donations, issuing donation receipts, and for disposing of assets of The Flower Cart including surplus donations.

### **Definitions:**

Asset – a resource with economic value that The Flower Cart owns or controls with the expectation that it will provide future benefit.

Donation – giving of an item or monies with no expectations by the donor

### **Procedure:**

#### **Donations to The Flower Cart**

The Flower Cart's reputation is very important. The public must have confidence that donations are handled in the spirit in which they are given.

Donors expect that cash and items donated to The Flower Cart results in a benefit to The Flower Cart and/or its clients.

All items donated to The Flower Cart are owned by The Flower Cart.

Do not accept donation of an item(s) that your program/department/project has no use for. If you believe that an item may have use in another program/department/project please check with an employee of that program/department/project before accepting the donation. If you do not have the time, etc. to do the checking refer the donor to the Financial Director / HR Generalist/Accounting Technician and they will deal with the donor.

When accepting a donation make sure that you explain to the donor that we will use the item to benefit The Flower Cart and its clients, which means using the item, selling the item, giving it to a client, using as parts, etc.

Donations must be handled in a manner that would withstand the scrutiny of the court of public opinion and fellow employees, e.g., giving donated items to needy clients will be judged well by others, employees taking donated items for their own use without transparent fair payment or permission will not be judged well, issuing "inflated" tax receipts for used items runs afoul of the tax man as well as public opinion, etc.

### **Receipts**

Tax receipts are issued at the Financial Director's discretion, not an individual employee or program/department/project.

As of August 2012:

- If the value of a new or used item that is donated is more than \$1000 an outside appraisal is required. A tax receipt is issued for the appraised value.
- If the value of a new item that is donated is less than \$1000 a receipt for the market value is given. If there is ambiguity on the market value the Financial Director will make the decision on the market value.
- As a 'rule of thumb', receipts are not issued for used items donated that have a value of less than \$1000. (The Financial Director can disregard this 'rule of thumb' at their discretion.)
- As a 'rule of thumb', tax receipts are issued for cash donations of \$5.00 and more. (The Financial Director follows CRA rules on issuing tax receipts for cash donations.)



### **Disposing of assets, including disposing of surplus donations**

- If the supervisor of a program/department/project does not have a good sense of the value of an asset, which includes donations, they consult with the Financial Director.

#### **Assets under \$25**

- If a supervisor is disposing of an asset valued under \$25, they do so in a manner that would withstand the scrutiny of the court of public opinion and fellow employees, i.e., donors expect that an item donated to The Flower Cart results in a benefit to The Flower Cart. An example of the disposal of assets under \$25 from Used Clothing/Woodworking Dept.:

#### **Items brought in through Used Clothing bin(s).**

**All items donated to The Flower Cart are owned by The Flower Cart.**

Used clothing may be purchased by staff at a value set by the Department Head – Flowercart Industries

All non-clothing items are donations and are dealt with as described in this procedure.

#### **Assets over \$25**

- If the supervisor of a program/department/project decides that an asset over \$25 in value has no use they notify the Financial Director.
- The Financial Director takes the necessary action to arrive at a decision on whether the asset will be transferred to another program/department/project, stored, or disposed of. Disposing can mean cannibalizing parts, selling, or recycling/garbage.
- If the item is to be sold, a fair market value will be determined by the Financial Director.
  - o The item will first be offered at the market value to an employee of The Flower Cart by way of an email/note in communication book. A deadline for offers to buy will be stated. If more than one employee is interested in the item a name will be drawn.
  - o If the item is not sold at a fair market value to an employee it will be placed for sale to the public through venues such as Kijiji and EBay. (When an item goes for public sale it will not go back to employees for a matching offer if the decision is made to sell the item at less than the original fair market value set by the Financial Director.)

### **Related Information:**

#### **Contact:**

Human Resources Department



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**Roles and Responsibilities:**

Financial Director

- Issue tax receipts
- Make decisions on market value of donated items that is less than \$1000
- Make decisions on whether the asset will be transferred to another program/department/project, stored, or disposed of.

**Revision History:**

Revised: