



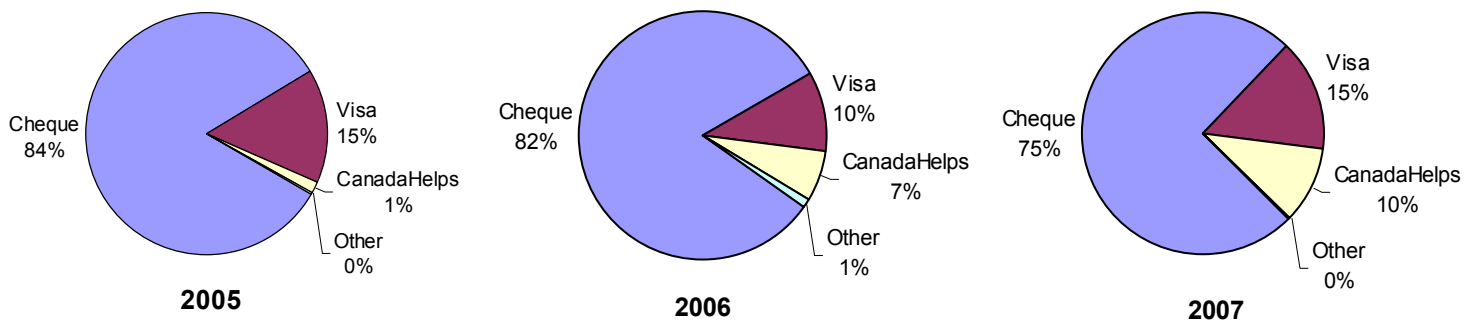
INFOTOPICS

AN AD HOC COLUMN FROM PHIL@CUC.CA



Many Ways To Give

Traditionally, donors to the CUC have paid by cheque. Congregations undoubtedly see more cash donations than we do, but I hear more and more about donors setting up a monthly gift plan. In the past, this meant writing out post-dated cheques or providing a credit card number. Now, with the wonders of technology, it's gotten easier to do—if you can navigate the range of options, that is. Here's how the CUC's Friends have chosen to give over the past few years:



Although we're in the "non-profit sector" the basic rules of business still apply. A key rule is: know your customer. In the context of giving, this includes providing the means to make gifts by the methods your donors prefer. The possibilities include cash, cheque, credit card, "in kind" gifts such as investments or stocks, and bequests, legacies or planned gifts. Gifts of stocks have new tax advantages, so this type of gift will probably become more popular as word gets out. Forward-thinking congregations will investigate opening a brokerage account now, so that when a potential donor asks about giving stocks, the answer will be "yes, we can do that".

Cash and cheque are simple and universal. To directly accept credit cards requires setup costs and monthly fees, however there is another option for those who have access to the internet. The CanadaHelps website allows donors to give to the charity of their choice via a multitude of credit cards, and make their gift either a one-time or monthly contribution. The gift, less a 3% fee, is deposited directly in the charity's bank account, and CanadaHelps issues the tax receipt. This compares favourably with typical credit card "discount" fees ranging plus monthly fixed costs of \$10 to \$40 or more, and CanadaHelps accepts all major credit cards. CanadaHelps is one easy way to offer your members the flexibility of using credit cards for their gifts. <http://www.canadahelps.org>



Another electronic option that is becoming more popular is PayPal. Although primarily used for commercial transactions, it can be used for donations. Like CanadaHelps, PayPal accepts all major credit cards. The fees are similar – about 3% in most instances. <http://www.paypal.com>

To offer your members the choice of automatic monthly donations, there are several choices. CanadaHelps is a good one for your members having a credit card. For members who wish to have their gift come from their bank account rather than a credit card, the “pre-authorized payment plan” (PAPP) or “electronic funds transfer” (EFT) services are the traditional methods. PAPP or EFT have the advantage of being universal, but the fees for these services are often prohibitive – typically adding up to \$300 or more each year.

Once again, modern technology has provided an option where none existed before. Anyone who uses on-line banking to access their bank account via the internet can set up an automatic transfer – either one-time or monthly. And because it’s treated the same as any other ATM transaction, there are no fees at either end with most account packages. “Interac by e-mail” allows easy transfers between the five major banks without subscribing to the PAPP or EFT services. See <http://www.certapay.com/> for more info.

For the members who by coincidence bank with the same institution as your congregation, the process is even simpler. With on-line banking, they can create a transfer between accounts that (for most account packages) has no fees. The specific process varies from one bank to the other, but generally begins with having the congregation added to the member’s personal list of payees. Then the member uses the “bill payments” process to transfer.

Notes for Treasurers

- In 2005, new rules were enacted for capital gains on investments and similar property. Beginning in 2008, capital gains become part of the Disbursement Quota calculations for all charities having investments of \$25,000 or more. For this purpose, the investments are deemed to have been acquired on March 22, 2004 so it will be helpful to have the value of all investments in your congregation’s portfolio as at that date.
- On the T-3010A form, section C11 refers to “qualified donees”. Please note that the CRA has advised us that the Annual Program Contribution should be entered on line 4830. Your congregation’s Annual Program Contribution does *not* qualify as a “gift” and therefore does not fall under “gifts to qualified donees”.
- The treatment of investments (stocks, bonds, etc.) has changed. In the past, investments were carried on the books at cost, and now must be carried and reported at market value. For more information, go to http://www.cica.ca/multimedia/Download_Library/Standards/Accounting/English/e_FICEOCFO.pdf

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