



National Sport Trust Fund
Northwest Territories Chapter
Operating Manual



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SPORTNORTH

Promotion & Development of Amateur Sport in the Northwest Territories

**Canadian Council of Provincial & Territorial Sport Federations Inc.
National Sport Trust Fund – NWT Chapter**

**Box 11089
Yellowknife, NT
X1A 3X7**

1. INTRODUCTION OF THE NATIONAL SPORT TRUST FUND

The National Sport Trust Fund (NSTF) offers the opportunity for sporting groups to develop fundraising programs which target fundraising from private sources; including individuals, corporations and foundations. In cooperation with the Canadian Council of Provincial & Territorial Sport Federations (CCP&TSF), Sport North Federation is pleased to be a partner in the NSTF initiative. This initiative permits Territorial Sport Organizations (TSOs) and their members to establish revenue generation programs for which a charitable tax receipt can be provided for qualifying donations.

2. RELATIONSHIP BETWEEN:

**Canadian Council of Provincial & Territorial Sport Federations (CCP&TSF)
Sport North Federation (SNF)
Territorial Sport Organizations (TSOs)**

The mission of the CCP&TSF is to provide the means for Canada's Provincial and Territorial Sport Federations to network, enhance their effectiveness and manage the NSTF. The CCP&TSF, of which the Sport North Federation is a member, is recognized by the Canadian Revenue Agency (CRA) – Charities Division under the qualified donees category as a Registered Canadian Amateur Athletics Association – business number 88938 6868 RR0001. One of the functions of the CCP&TSF is to manage a national fundraising initiative for amateur sport, which permits sport organizations, including TSOs and their members, from across Canada to raise funds for *specific* causes that will promote the development of amateur sport in Canada. As a member of the CCP&TSF Sport North Federation has been authorized to act as the Northwest Territories Branch of the NSTF and as the territorial fund manager for all donations made to amateur sport in the Northwest Territories.

3. REQUIREMENTS FOR TERRITORIAL SPORT ORGANIZATIONS AND THEIR MEMBER CLUBS TO PARTICIPATE WITH THE NSTF

- Must be a current member of the Sport North Federation;
- Appoint a volunteer and/or paid staff to act as the TSO Fund Administrator to liaise with the Fund Manager;
- Adopt policies and procedures that support the integrity of the NSTF;
- Ensure that all donors are offered appropriate and consistent recognition for their contributions;
- Promote the NSTF in a consistent manner in keeping with the policies and procedures of the Fund; and
- All local clubs and sporting organizations must be current members in good standing with their TSO.

4. APPLICATION PROCEDURES FOR PROJECTS

A project application form (*appendix A*) is required and must be completed by all member organizations that intend to solicit contributions and receive an official receipt through the NSTF. All projects must be registered with and approved by the Fund Manager. The following information must be detailed in the project application form:

- Describe how the project falls within the CCP&TSF’s mission to promote amateur athletic programs of provincial/TSOs on a nation-wide basis throughout Canada;
- Identify the timeframe of the project;
- Provide a project budget showing how the donated revenue will be used to offset the expenses that corresponds with the project objectives;
- Provide samples/drafts of the promotional material to be circulated where the NSTF name is present;
- Fundraising projects which exceed \$50,000 will be reviewed by the NSTF – NWT Adjudication Committee* to validate their bona fide nature and the proposed usage of the proceeds. Projects under \$50,000 will be reviewed by the Fund Manager;
- Fundraising projects designed by local clubs and sporting organizations must first forward their project application to their respective TSO, for review and approval; and
- Upon project approval, a project number will be assigned and should be visible on all correspondence and donations submitted.

Solicitation of Funds MAY NOT occur until approval of the project has been received. Projects will not be approved if draft copies of solicitation materials are not submitted for approval prior to circulation.

Time Frame for Applying: Applications for projects under \$50,000 must be submitted at least four (4) weeks in advance of the start of the project. Applications for projects over \$50,000 must be submitted six weeks prior to the project start date for approval by the NSTF – NWT Adjudication Committee.

Project Applications by local clubs or sport organizations: All local clubs and sporting organizations must be current members in good standing with their TSO. Each project application by a member club must be reviewed and endorsed by its TSO, prior to submission to the Fund Manager. Once approved, all donations and grant applications will be processed directly with the project applicant.

*** Role of the NSTF – NWT Adjudication Committee;** this function has been undertaken by the SNF Finance Committee which meets quarterly or as required to ensure compliance in the

approval of fundraising project applications, control and oversee incoming donations and oversee the use of donated funds

5. ADMINISTRATION OF A PROJECT

Receiving Donations: All donations made to the NSTF must be accompanied by a Donor Contribution Declaration form (*appendix B*). The purpose of the form is to ensure that mandatory information such as donor's full name, address, donation amount, donation date, and signature is properly recorded.

All donations, including cash, cheques and credit card payments are to be made directly to the NSTF. Donations made to the project administrator/TSO will not be accepted, except under exceptional circumstances.

Withdrawals: To request funds from the NSTF the TSO or TSO member must submit a Grant Request Form (*appendix C*) and a Project Report Form (*appendix D*). Grant requests under \$5,000 will be reviewed by the Fund Manager. Grant requests over \$5,000 will be reviewed and approved by the NSTF – NWT Adjudication Committee.

Issuing of official tax receipts:

- Tax receipts will be issued for the date on which the donation was received by the NSTF. For example, if a donor mailed a donation near the end of 2010 and the NSTF received the donation in early 2011, the tax receipt will be dated for 2011.
- Receipts are issued annually and mailed directly to the donor.
- Should the project administrator wish to include a thank you letter with the tax receipt, arrangements should be made in advance with the Fund Manager.

Issuing replacement receipts:

- Requests for duplicate receipts should be forwarded to the Fund Manager.

6. REPORTING PROCEDURES FOR PROJECTS

Granting Funds to approved projects: Funds will be released to qualifying projects upon receipt and review of a Grant Request Form (*appendix C*) and a Project Report Form (*appendix D*) by the organization. Grants under \$5,000 will be reviewed by the Fund Manager. Grants over \$5,000 will be reviewed by the NSTF – NT Adjudication Committee.

Interim Reporting: All approved projects under the NSTF will be required to file an interim Project Report Form (*appendix D*) at the half-way point of the project and with each Grant Request Form.

Final Report: Project administrator is responsible for ensuring that donor wishes and project objectives are met. Upon the conclusion of the project, a final Project Report Form (appendix D) report must be filed with the Fund Manager.

Audit of Books and Records: All approved projects are subject to audit verification by the Fund Manager or assigned independent auditor at any time during a project or upon its completion. Project managers may be contacted as needed and may be required to supply additional project information to verify project activities. Project administrators should keep all records for a period of six years. The following records and documents must be kept:

- Approved project application and approval letter
- Copy of project reports
- Copy of donors' cheques and donor forms
- Copy of CCPTSF Northwest Territories Chapter cheques to applicant for fund release
- Bank statements showing deposits and disbursements relating to the fundraising project
- Expenditure receipts
- Financial statements relating to the fundraising project
- General books and accounts containing transactions relating to the fundraising project

Donor Recognition: It is important to recognize donors for their contributions to each specific project registered with the NSTF. Qualifying projects may be required to describe how donors to their project will be recognized. Qualifying donors may be recognized for each donation by a gift of nominal value not to exceed the lesser of \$75.00 or 10% of the amount of the donation.

Gift Acceptance letters: It is recommended by the Fund Manager that for sports who are receiving donations over \$10,000, a gift acceptance letter to be written to record the gift and to detail and document the wishes of the donor.



7. QUALIFYING DONATIONS

To maintain the CCP&TSF designation with CRA it is essential that official receipts are issued only for qualifying gifts and that the donated funds are used for qualifying purposes. All donations must be accompanied by a completed Contribution Declaration Form (*see appendix A*)

The following are examples (not an inclusive list) of payments or contributions that DO NOT qualify as gifts to the NSTF - NWT. As a result, the NSTF is not able to issue official receipts for income tax purposes for any of the following:

- Payment for a basic fee for admission to an event or to a program. Examples include: fees for participation in an exercise or training program or membership that conveys a right to attend;
- Payment for a lottery ticket or other chance to win prizes. However a lottery may be run in conjunction with the fundraising campaign. Official receipts may then be issued for the donations to the fundraising campaign;
- Contributions of services may not be acknowledged by the issue of an official receipt. A gift must involve property. Contributions of services (eg. time, skills and effort) are not property and are not eligible. An acceptable transaction includes paying for a service and later accepting the return of all or portion of the payment as a gift – provided it is returned voluntarily;
- **Directed Donations:** An official receipt may not be issued if the donor has directed the NSTF to give the funds to a specified individual or family. However, donations are eligible for official receipts with general direction from the donor for gifts to be used in a particular program, provided that there is no benefit accrued by the donors;
- Donations that have directed the NSTF to provide the funds to a non-qualified donee (eg. Organizations or projects which have not been registered with the NSTF); or
- **Sponsorships:** Sponsorships where there is an exchange of benefits between two parties and/or a binding contract (eg. Sponsorship agreement). The contribution is not voluntary and is not being given without benefit to the donor. A tax receipt may be provided if the sponsor receives no advertising or promotional exchange for their donation or any other material benefit.

Please contact the Fund Manager to determine the eligibility for any individual donation situation prior to its acceptance.



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Types of Donations that may be received by the NSTF:

A gift is a voluntary transfer of property without valuable consideration. A gift may be processed if all three of the conditions listed below are satisfied:

- Some property, usually cash, is transferred by a donor to the NSTF;
- The transfer is voluntary; and
- The transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value.

The NSTF is able to process all of the following types of gifts:

- | | |
|------------------|-----------------------|
| a) Cash | d) Annuities |
| b) Gifts in-kind | e) Bequests |
| c) Insurance | f) Fundraising events |

- a) **Cash Donations:** The most common and most straight-forward gift type is cash (cash, cheques, credit card). Donations by cheques are to be made directly to the NSTF.
- b) **Gifts in Kind:** (includes appreciated securities) Gifts in-kind are a donation of property other than cash. They are tangible and generally are disposed of by the donor or by the NSTF with the proceeds used to benefit the designated project. Examples of donations accepted by the NSTF include tangible goods, equipment, gift of securities, land, or property (eg. Artwork). Examples of gifts which cannot be received by the NSTF include: nominal items such as blankets, clothing, house baking, donation of goods in exchange for advertising and promotion, suppliers discounts, donation of services or donations of goods in fulfillment of the terms of a legally binding agreement (eg. Sponsorship agreement).

Gift in Kind under \$1,000: A tax receipt may be issued for gifts valued under \$1,000 with an invoice detailing the fair market value of the goods.

Gift in Kind over \$1,000: A tax receipt may be issued for gifts valued over \$1,000 if accompanied by at least one independent appraisal. More than one appraisal may be required, depending on the value of the donated gifts. Appraisals must be carried out by a qualified appraiser not associated with NSTF or the donor. The appraisal must be recent and original (no photocopies).

- c) **Insurance:** An existing or new insurance policy may be donated to the NSTF, as long as the ownership of the policy and the beneficiary of the policy are the NSTF. The cash surrender value at the time of transfer and any premiums paid either directly or indirectly are treated as contributions and an income tax receipt is issued.



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- d) **Annuities:** A common 'interim' gift along the continuum of gifts between cash and a bequest is the annuity. A contribution is made and an annuity contract is entered into promising to pay the donor a set rate of return.
- e) **Bequests:** This is the most common deferred planned gift. A donor simply includes a provision to assist a project or sport group through the NSTF.
- f) **Fundraising Events:** Including but not limited to fundraising dinners, charity auctions, lotteries, golf tournaments and sporting events. The CRA has determined that in certain cases all or part of the money raised is actually a donation and can be receipted accordingly.

It is recommended that any organization or project anticipating receiving a donation in the form of a gift of securities, insurance, annuities, land or property or via a fundraising event contact the Fund Manager prior to acceptance or liquidation of the gift, to ensure appropriate tax consultation has taken place with the potential donor(s).



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DONOR CONTRIBUTION DECLARATION LETTER

I am voluntarily and unconditionally donating the sum of \$_____ to the NSTF administered by the Canadian Council of Provincial & Territorial Sport Federations Inc. (CCP&TSF), to benefit the development of amateur sport in Canada on a nation-wide basis. I understand that the CCP&TSF can direct my donation to an amateur sport cause of their choice; however my preference is that my gift be used to support the following cause: _____

Consistent with the income tax interpretations of “qualifying donations”, this contribution is made voluntarily without any conditions and no benefit will accrue to me (or related parties) as a result of my donation. I confirm that this donation does not or will not reduce any obligation, directly or indirectly that I (or related parties) have for “non-qualifying” expenses such as membership, training, or program registration fees, travel expenses or other like expenses that I would normally be required to pay to the recipient sport organization or any related or affiliated body. I also understand that civil penalties can be imposed against me for the misrepresentations of tax matters. Based on these facts, I understand that an official receipt for tax purposes will be issued.

DONOR INFORMATION

Name of Donor:		
Address:	City/Town:	Postal Code:
Email:	Phone:	(B)
Signature of Donor		Donation Date (DD/MM/YYYY)

PAYMENT INFORMATION

<input type="checkbox"/> Cheque (s) Enclosed	<input type="checkbox"/> Visa	<input type="checkbox"/> MasterCard
Card Number:	Expiry Date:	
<i>**Please make cheques payable to the National Sport Trust Fund.</i>		
I wish to spread my donation over time: \$_____ over _____ months for a total donation of \$_____		

OFFICIAL TAX # - 88938 6868 RR0001

Project #: _____



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GRANT REQUEST FORM

Dear Territorial Fund Manager:

The _____ applies for a grant from the
(recipient Sport Organization)

Canadian Council of Provincial & Territorial Sport Federations Inc. – National Sport Trust Fund (NSTF) in the amount of \$ _____ to further the development of amateur sport in Canada in respect of the following projects:

Name of Project: _____ Project #: _____

Name of Project: _____ Project #: _____

A completed Project Report Form is attached. Should this grant request be approved, we consent that these funds will be used as intended and approved in our Project Application form.

Name Phone

Signature Position held in Organization

Date (DD/MM/YYYY)

OFFICIAL USE ONLY:	
Grant Requested: _____	Administrative Fees: _____
Date Issued: _____	Total Grant Allocated: _____



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PROJECT REPORT

<input type="checkbox"/> Interim Report	<input type="checkbox"/> Final Report	Project Number: _____
Date of Report:		Organization:
Name of Project:		
Contact :		Phone:
Email:		
Describe project objectives & outcomes achieved (please list all objectives and project results). Please attach any additional relevant supporting materials in respect of the outcomes of this project.		

Funds requested through National Sport Trust Fund during this reporting period (if applicable):

Date	Amount \$ received:
Total	

If this is an interim report, is the project timeframe still applicable YES NO

If an extension is required please indicate new end date: _____

As representatives, we have reviewed the activities of the above project and certify that the information submitted is true and correct.

Authorized Signature of Club Representative

Authorized Signature of TSO Representative

Date (DD/MM/YYYY)

Date (DD/MM/YYYY)