



# Finance donation extension proposal and its impact on Canadian charities and donors- what do we know?

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# Introduction

- Views expressed are our own
- Questions during and at end
- Logistics and timing

# No Legal Advice

- We are not providing legal advice
- Proposal has limited information
- No Notice of Ways and Means Motion
- Views could change based on new information in the future

# Refresher on Receipting

- What?
- Who?
- When?
- How?
- Why?

# Receipts coming from Canada Post

## “What is the date of donation?

The date of donation is the date the gift is actually **received** by the charity. However, when a charity receives a donation by mail, the Canada Revenue Agency considers the date of donation to be the date of the postmark on the envelope. The charity should keep the stamped envelope as part of its books and records.”

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/issuing-receipts/what-you-need-know-issue-official-donation-receipt.html>

# Timeline of Recent Events

- **November 15, 2024:** CUPW's strike began
- **December 16, 2024:** The Strike ended
- **December 30, 2024:** Announcement of extension period
- **December 31, 2024:** Normal last day to donate in 2024
- **January 6, 2025:** Trudeau announced resignation and proroguing parliament

# Concerns With Extension Period

- Potential negative consequences:
  - Donor confusion
  - Complications of tax filings
  - Undercutting December 2024 and 2025 giving season
  - Accounting and administrative burdens for charities
  - Discrepancies between fiscal and calendar year reporting
  - Precedent for future requests for extensions
  - Discouragement of digital payments
  - Encouragement of donor procrastination

# Prorogued Parliament

3 questions at the forefront:

1. Will Parliament amend the Income Tax Act to pass the extension period?
2. When will it happen?
3. How will CRA administratively deal with this proposal as it has been announced but not included in any Notice of Ways and Means Motion (NWMM) draft legislation?

# Tips For Charities

- Don't make promises or guarantees or the donors or the public that the matter will be dealt with in any particular manner
- You can say that the Liberal government has made a proposal to extend the period you can claim 2024 donations for, but the Liberals have not included it yet in legislation or passed it
- Doing receipting in the normal way until further clarification
  - Exception: many charities who have monthly donors or frequent cash donations that are typically dealt with by a cumulative annual receipt may want to issue a receipt for January and February 2025 and then another receipt for March to December 2025.

# Tips For Charities

- Cumulative “2025 receipt” in 2026 should not include January/February 2025 donations if your charity has already issued a receipt on those donations
- Issue any receipts for January/ February 2025 in early March 2025 or will not be useful to individual donors with the April 30, 2025 tax filing deadline

# **Questions relating to the extension period and our tentative responses**

**Question:** Do we date tax receipts Dec 31, 2024 for all donations received from Jan 1 to Feb 28 2025?

**Answer:** No

**Question:** Will there be separate T3010 disclosure made of these donations or is it too early to address this issue?

**Answer:** Too early, but probably no difference to T3010.

**Question:** Do our donation receipts have to make mention of the fact that donations received Jan-Feb 2025 are being receipted for the 2024 year?

**Answer:** Nothing special, but make sure that the date of the donation reflects a date in January or February 2025.

**Question:** Regarding our Dec 31, 2024, financial statements: Are the Jan – Feb 2025 donations to be reflected in 2024?

If yes to above, will note disclosures be required explaining and disclosing the amount of donations received in 2025 and reflected in the 2024 financials?

**Answer:** We are not accountants, but probably No and No.

**Question:** Does the donor have a choice of whether to use the donation made in January/February 2025 on either the 2024 or 2025 tax return?

**Answer:** Unclear, but we presume donors will probably have a choice.

**Question:** The Liberals are currently the government but it looks like they may not be there for long. Will this impact the proposal?

**Answer:** Likely not, especially if other parties commit to implementing the proposal.

**Question:** What will happen to a donor who uses an official donation receipt from the extension period and then either deliberately or by mistake uses it again in 2025?

**Answer:** CRA will not knowingly accept the receipt twice, and it is unclear what other consequences there will be, but filing a false return can have serious consequences

**Question:** How will this affect monthly donations, which is very important to our charity? Our charity in January or February issues a receipt for all donations in the previous year from the monthly donor. We do this once per year. Will we now have to do it a second time?

**Answer:** Potentially another round of receipting, but no legal requirement.

**Question:** Does the extension apply to corporate donations?

**Answer:** Presumably, yes.

**Question:** Does the extension apply to gifts by a foundation to a registered charity?

**Answer:** No.

**Question:** Does the extension apply to giving the extra tax benefits of donations of marketable securities, ecological property, cultural property, etc.?

**Answer:** Presumably, yes.

**Question:** With other capital property that are not treated in a special way (e.g. donating a cottage) is donated in the extension period in which there is a capital gain would the capital gain and the gift both be for 2024? Or will the gift be 2024 and the capital gain be 2025?

**Answer:** Presumably, both the receipt and capital gain will be dealt with in the 2024 filing, but we will need to see legislation.

**Question:** Will provincial governments have to also make changes?

**Answer:** Quebec has already announced that they will also accept donations during the extension period for 2024.

# Resources

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- Update from Finance through Globe and Mail on extension of donations made in January and February 2025 (January 8, 2025)
- Proroguing of Parliament today and potential impact on donation extension period (January 6, 2025)
- Numerous issues and questions related to the 2024 extension of the giving season (January 3, 2025)
- Government of Canada announces extension of 2024 charitable donations to February 28, 2025 – not surprising but perhaps not helpful (December 30, 2024)
- Should Finance extend the deadline for donations to charities beyond December 31, 2024? (December 27, 2024)

# Online Courses

[www.CanadianCharityLaw.ca/courses/](http://www.CanadianCharityLaw.ca/courses/)

# Blumbergs' Online Courses

- [Being a Director of a Canadian Non-Profit or Registered Charity](#)
- [Blumbergs' Canadian Charity Law Boot Camp 2024 – Online \(Recorded April 23, 2024\)](#)
- [Blumbergs' Canadian Charity Law Institute 2022 \(Online\)](#)
- [Blumbergs' Canadian Charity Law Institute 2021 \(Online\)](#)
- [Blumbergs' Canadian Charity Law Institute 2020](#)
- [Canadian Charities Working with Non-Charities in Canada](#)
- [CharityData.ca – An in-depth look at this important registered charity transparency tool](#)

# Blumbergs' Online Courses

- Donor Advised Funds (DAFs) In Canada
- Foreign Activities and Canadian Charities
- Fundamentals of Running a Canadian Charitable Organization/Operating Charity
- Fundamentals of Running a Private or Public Foundation in Canada
- Fundraising from Canada – A course for groups outside of Canada
- Fundraising Regulation and Compliance in Canada for Registered Charities
- Membership of Non-Profits and Charities in Canada

# Blumbergs' Online Courses

- Making gifts to qualified donees: Discussing a seemingly simple proposition.
- Mergers of Canadian Non-Profits and Charities and Dealing with Uncertain Times
- Multiple Corporate Structures for Canadian For-Profits, Non-Profits and Charities to Enhance Flexibility + Impact
- Objects/Purposes for Canadian Charities and Changes to Your Objects/Purposes
- Ontario not-for-profit corporations under the Ontario Corporations Act and dealing with ONCA
- Professional Advisors and Philanthropy: Helping Clients Give Effectively to Good Causes

# Blumbergs' Online Courses

- Receipting for Canadian Registered Charities
- Restricted Gifts – Managing the Opportunities and Dangers of Restricted Charitable Gifts
- Running and Maintaining a Federal Non-Profit Corporation under the CNCA – An Introduction
- Separation and Independence by Canadian Charities from Entities that are not Canadian Charities
- Should Our Canadian Business Establish a Corporate Foundation?
- Should We Establish a Canadian Social Enterprise, Non-Profit or Charity & How to Do It?

# Blumbergs' Online Courses

- Should you agree to be a director or board member of a Canadian non-profit or registered charity?
- Sponsorship vs Donations for Canadian businesses and registered charities
- So now you are a registered charity – What is next
- Social Enterprise, Earned Income and Business Activities for Canadian Registered Charities
- Top 20 Charity Law Issues for Canadian Registered Charities
- Transparency in the Canadian Charitable Sector and the T3010 Registered Charity Information Return

# Questions?

# Thank You!

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