



Numerous issues and questions related to the 2024 extension of the giving season

By Mark Blumberg (January 3, 2025)

We have seen many issues raised about the extension of 2024 donations to February 28, 2025.

For simplicity we will call January 2025 and February 2025 the "extension period".

We have written about our concerns with this proposal in our blog [Should Finance extend the deadline for donations to charities beyond December 31, 2024?](#)

The announcement from the [Finance Department](#) was short on specifics and no legislation has been tabled yet that would give greater clarity.

Below are some questions and our tentative responses. Hopefully more clarity will be provided by Finance and CRA and then we can update this note.

Question/Statement	Blumbergs tentative response
Do we date tax receipts Dec 31, 2024 for all donations received from Jan 1 to Feb 28 2025?	<p>No.</p> <p>If you receive a donation delivered by Canada Post you can use the post mark on the envelope as the date of donation. E.g. A piece of mail arrives from Canada Post with a cheque on January 6, 2025 but it is postmarked December 19, 2024, then you can use the December 19, 2024 date as the date of the donation.</p> <p>For other donations such as online or cash given during the extension period, date the tax receipt on the date the donation is actually made ie. a date during the extension period.</p> <p>You might want to notify donors that it is your understanding that a donation made during the extension period may be able to be used in their 2024 tax filing.</p>
Will there be separate T3010 disclosure made of	It is too early to know but my guess is that you would deal with donations on the T3010 in the same way as before this proposal was announced.

these donations or is it too early to address this issue?	<p>The proposal is really primarily related to donors and their ability to use a donation in a more flexible way than is typically allowed. So for your registered charities on line 4500 you would report all official donation receipts issued relating to gifts in 2025 whether during the extension period or the subsequent 10 months.</p> <p>The Stats Can numbers from the T1 forms and T2 forms may be affected with a sudden bump in 2024 donation numbers and perhaps a lower than expected 2025 numbers. As it is, these Stats Can numbers are not that helpful because they only count amounts claimed on tax returns and a lot of donations are not claimed on tax returns.</p>
Do our donation receipts have to make mention of the fact that donations received Jan-Feb 2025 are being receipted for the 2024 year?	<p>No. You would issue the receipt in the same way. Presumably donors will just have to keep track of receipts given in 2025 during the extension period were used on their 2024 tax return and cannot be used again on their 2025 tax return.</p>
<p>Regarding our Dec 31, 2024, financial statements:</p> <p>Are the Jan – Feb 2025 donations to be reflected in 2024?</p>	<p>No. We would think that this change would not affect the accounting of the charity for the donation.</p> <p>Donations made in the extension period are 2025 revenue for the charity – they may just be used by the donor for 2024 tax purposes.</p>
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	<p>No. This will not affect the accounting for the charity so no note is needed.</p> <p>From a transparency perspective you may decide to disclose this number but it is not required and may not be that meaningful unless compared with earlier Jan/Feb donations.</p>
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?	<p>It is not clear yet what the legislation will provide. Presumably a donor will have the choice of using the official donation receipt in either their 2024 or 2025 filings. Obviously if the official donation receipt for a donation in the extension period is used in 2024, it cannot be used again in 2025.</p> <p>But even if required to be used in 2024 and if the donor has no income in 2024, the donor can still carry the donation forward for 5 years so it could be used in 2025, 2026, 2027, etc if the donor does not have enough income in the 2024 year to utilize some or all of the official donation receipt.</p>

<p>The Liberals are currently the government but it looks like they may not be there for long. There may be a vote of no-confidence or proroguing of parliament. Will this impact the proposal?</p>	<p>This extension has been announced. The likelihood is whether there is a Conservative, Liberal or NDP government in the future that it would be passed. I don't think of this proposal as being a partisan proposal.</p> <p>So there is no guarantee but the likelihood is that a donation made in the extension period will be able to be claimed on 2024 tax return. With many Canadians starting to file in February and March there may not be certainty before they file their tax returns.</p>
<p>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?</p>	<p>CRA if they are aware will not accept the receipt twice. It is not clear what other consequences there will be and presumably it will depend on the facts.</p> <p>With over 5 million Canadians claiming donations on their tax returns, with the resulting confusion, probably some are donors are going to make this mistake. Filing a false return can have serious consequences and it may put a bad taste in the mouth of some donors who may decide to not donate in the future, or if they donate, not claim the donations on their returns.</p>
<p>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?</p>	<p>You are correct that monthly donations may be affected. Assuming your charity provides typically one receipt per year the charity may need to provide one receipt for donations in 2024 and then another receipt for donations in the extension period and then another receipt for the remaining ten months of 2025 namely March – December 2025.</p> <p>So, this will add another round of receipts that would be quickly issued in early March 2025.</p> <p>There is no legal requirement to issue a receipt in early March for the January and February 2025 donations.</p> <p>However, if a charity does not do it they may be criticized by some donors.</p> <p>Charities will need to issue the receipts in early March or they may get a lot of emails and voice mails from donors that the donor is waiting for the receipt to do their tax filing.</p> <p>Hopefully all charity books and records can easily accommodate looking at donations from March – December and not the whole year and hopefully mistakes are not made in 2026 when issuing receipts for 2025 monthly donations.</p> <p>With high staff turnover in the charity sector, etc. hopefully the receipt issued in 2026 does not include the 2025 January and February donations.</p>
<p>Does the extension apply to corporate donations?</p>	<p>We assume that it will, but that will be determined by the legislation.</p>
<p>Does the extension apply to giving the extra tax benefits of donations of marketable</p>	<p>We assume that it will, but that will be determined by the legislation.</p>

securities, ecological property, cultural property, etc.	
With other capital property that are not treated in a special way 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?	We assume that both the receipt and capital gain in the extension period will be dealt with in the 2024 filing, but that will be determined by the legislation. It would probably make sense that if a donation is made in the extension period and used with the 2024 personal or corporate return that both the income tax receipt and capital gain would both be for 2024.
Will provincial governments have to also make changes?	Quebec has already announced that they will also accept donations during the extension period for 2024.

Some other general matters that have been raised but may not still be relevant:

What's not helpful is announcing it 48 hours before the known giving deadline and deflating the urgency many Canadians feel to give by tomorrow at midnight.	Agreed. The timing of the announcement might have undercut those who procrastinate to the end.	
Will this proposal result in more donations to Canadian charities?	<p>It is not clear that if you look at donations made over the next 2 months and then look at donations over the next two years that this particular extension is going to affect the amount of donations.</p> <p>Most charities don't specifically track how much is donated in January and February as a separate matter. We can assume that there might be slightly higher donations during the extension period followed by a decline (or less than expected) regular donations that will be claimed for the 10 months of 2025. Net we don't think this change will have any material impact on donations, especially since the postal strike was over 2 weeks before the end of the year and many people would have made donations that even without this proposal would have been counted as 2024</p>	

	<p>donations (because they were mailed before December 31, 2024).</p> <p>Keep in mind that one or two large donations of say \$500m to \$1 billion may have a much bigger impact than all the donations covered by this proposal.</p> <p>Some people and their recordkeeping may view their January donation, even if it is counted for 2024 tax purposes, as a 2025 donation, which may undercut the December 2025 giving season.</p>	
<p>How much decline was there in donations in 2024 as a result of the strike?</p>	<p>We don't know. CRA on the T3010 asks whether a charity does "Mail Campaigns" and 9,352 identified doing mail campaigns (see below this chart from the Blumbergs Snapshot of the Charity Sector 2022). But charities don't have to identify how much money comes in from the mail campaigns. While anecdotally some charities rely heavily on direct mail and may have seen a big impact, it is important to realize that the charity sector has revenue of \$340 billion per year and fundraising is only about \$25 billion of that and a very small part of that is probably direct mail fundraising.</p> <p>It might have been better for the federal government to rather help charities transition away from legacy fundraising like direct mail instead providing this extension. There are currently over 13,000 charities that use the internet (presumably websites and emails).</p>	
<p>Charities have their year end emails already scheduled, which will more than likely say something like "last chance to get your donation in by 11:59 pm on the 31st and receive your 2024 tax receipt." This doesn't give a lot of time, if any, to pivot and finesse the messaging unfortunately.</p>	<p>Some of those messages might have been planned a week ago and the staff person may even be on vacation without access to the system to change the message. Then when a donor sees the message, it undercuts their confidence in the charity. Very unfortunate.</p>	
<p>Similar to the HST holiday break, this will require some serious finance gymnastics but to what end? Reasonable to assume that, like the HST break, the calculus here is influenced by politics as much as it is</p>	<p>As we noted in our December 27, 2024 blog "In the current political climate, this particular proposal may be successful as it would be a way for Finance to say yes to a proposal from the charity sector that does not require much effort or cost on the part of Finance. If this extension proposal turns out to be a massive headache for charities and donors, Finance can just say that it was a proposal requested by some groups in the charity sector and the Premiers! With all of the</p>	

by a genuine concern for people/society.

uncertainty people, businesses, and charities are dealing with, especially those relating to the US, the extension proposal is one complexity people don't want to have to deal with."

From the Blumbergs' Snapshot of the Canadian Charity Sector 2022:

C8	If the charity carried on fundraising activities or engaged third parties to carry on fundraising activities on its behalf, select all fundraising methods that it used during the fiscal period:		
2500	<input type="checkbox"/> Advertisements/print/radio/ TV commercials 8,798	2570	<input type="checkbox"/> Sales 11,320
2510	<input type="checkbox"/> Auctions 4,358	2575	<input type="checkbox"/> Internet 13,175
2530	<input type="checkbox"/> Collection plate/boxes 19,608	2580	<input checked="" type="checkbox"/> Mail campaigns 9,352
2540	<input type="checkbox"/> Door-to-door solicitation 884	2590	<input type="checkbox"/> Planned-giving programs 5,826
2550	<input type="checkbox"/> Draws/lotteries 5,882	2600	<input type="checkbox"/> Targeted corporate donations/sponsorships 11,465
2560	<input type="checkbox"/> Fundraising dinners/galas/concerts 11,744	2610	<input type="checkbox"/> Targeted contacts 11,890
2620	<input type="checkbox"/> Telephone/TV solicitations 1,825		
2630	<input type="checkbox"/> Tournament/sporting events 3,478		
2640	<input type="checkbox"/> Cause-related marketing 1,895		
2650	<input type="checkbox"/> Other 11,686		
2660	Specify: _____		

Mark Blumberg is a lawyer at Blumbergs Professional Corporation in Toronto, Ontario. He can be contacted at mark@blumbergs.ca or at 416-361-1982 or Toll-Free: 1-866-961-1982 or at https://www.CanadianCharityLaw.ca/contact_us. To find out more about legal services that Blumbergs provides to Canadian charities and non-profits as well as foreign charities please visit www.CanadianCharityLaw.ca, www.SmartGiving.ca, or www.CharityData.ca

This article is for information purposes only. It is not intended to be legal advice. You should not act or abstain from acting based upon such information without first consulting a legal professional.