

## The Synod of the Diocese of Niagara

### Policy Guide on Issuing Tax Receipts for Mileage Claims as Submitted by Volunteers

Addendum to the Volunteer and Employee Handbook on Reimbursement of Expenses

#### Background

The Diocese regularly receives requests from volunteers to be reimbursed for mileage related to their volunteer activities. As a rule, the Diocese does not reimburse volunteers for mileage related to their volunteer activities unless pre-authorized by the staff member responsible for the activity, prior to the volunteer assignment.

Some volunteers have asked that they be able to submit their mileage claim and receive a Tax Receipt from the Diocese, instead of a cash payment. This request has been denied as not conforming with CRA guidelines on the issuance of tax receipts for services rendered.

#### Research

In researching this issue, a CRA Policy Commentary on Out-of-pocket expenses (CPC-012) <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-commentary-012-pocket-expenses.html> was found to be relevant.

While the commentary outlines that a “A charity cannot simply issue an official donation receipt to a volunteer for the amount of the expenses, in lieu of reimbursing the expenses.”, CRA now suggests that “provided the volunteer has a right to reimbursement from the registered charity for the expenses incurred, the charity may treat the right to reimbursement as a gift in kind and issue a receipt for income tax purposes.”

In order to issue receipts for volunteers’ mileage claims, the Diocese will need to have a policy in place for reimbursing volunteers, outlining what expenses are claimable and the process to request reimbursement.

In the case of mileage claims being submitted by volunteers, the Diocese would have to outline the terms under which a claim would be allowed.

The volunteer claiming a tax receipt for mileage would have to submit a claim that states:

*I \_\_\_\_\_ direct that the funds to which I am entitled by way of reimbursement for mileage driven for \_\_\_\_\_ Committee for the \_\_\_\_\_ event on \_\_\_\_\_ (insert date) and would otherwise be forwarded to me by cash or cheque, be transferred to The Synod of the Diocese of Niagara as my gift.*

The Diocese would record the tax receipt as both an expense and receipt in the Diocese financial statements at the end of the year in order to comply with CRA requirements.

## Sample Expense Claim

See “Volunteers – Tax Receipt for Travel Reimbursement Form”.

### What Constitutes a Volunteer

A volunteer is an individual:

- who chooses to undertake a service or activity; someone who is not coerced or compelled to do this activity;
- who does this activity in service to an individual or an organization, or to assist the community at-large; and
- who does not receive a salary or wage for this service or activity.

The definition above is taken from the Public Safety Canada guide, The Screening Handbook, Tools and Resources for the Voluntary Sector

<https://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/scrngng-hndbk/scrngng-hndbk-eng.pdf>

### Volunteer Mileage Claims Policy

1. Attending a standing committee meeting does not qualify you to claim Mileage Tax Receipt for mileage driven.
2. Driving your vehicle on behalf of a standing committee does qualify you to claim Mileage Tax Receipt for mileage driven.
3. A volunteer directed to go to an event by a diocesan staff person can claim a claim Mileage Tax Receipt for mileage driven.
4. In some extraordinary circumstances, for trips not covered by the above terms and as approved by a senior staff member of the diocese, a volunteer may be allowed to claim a claim Mileage Tax Receipt for mileage driven.
5. Volunteers cannot submit a Mileage Tax Receipt claim and a request for reimbursement of travel expenses for the same event.
6. Mileage is calculated from the volunteers’ residence (or temporary location) to the place of the volunteer activity for distances travelled greater than 15 km one way per trip.
7. If a volunteer is driving multiple people / volunteers to an event, only the driver may claim the volunteer Mileage Tax Receipt.
8. Claims can be submitted for a single event, or if multiple trips are required for a volunteer activity, a travel log can be submitted for all trips related to the activity. Forms must be submitted by Dec 31 of the year of the claim in order to be processed.
9. Claims will be allowed for the period January 1 to December 31, 2017, but no prior period beyond 2017.