

## Points to Keep in Mind re Italy Expenses

1. Revenue Canada has rules about how charities can spend their money.
2. Revenue Canada requires that all of a charity's income be used to carry out its objects.
3. Another rule is that a charity must be carried on without the purpose of gain for its members. This means that the rules do not permit us to divide our income among our members or use it to pay members' personal expenses. Although, if one of our objects were something like "To promote health by providing breast cancer survivors with an opportunity for physical fitness through dragon boating.", I think it would be acceptable to assist members with expenses associated with being a team member, if that was required in order for them to be able to afford to fully participate in the team's activities. Which is a long-winded way of saying that I think it's within the rules to help members who need it with their expenses for Italy.
4. It is highly unlikely that Revenue Canada will ever review how we spend our money.

## Current Financial State of Italy Funds & Expenses

To date, our fundraisers for Italy have netted us \$12,368.62. We have received \$3,675.00 in sponsorships and donations for Italy out of which we have to buy sponsorship shirts and pay for some printing of sponsorship packages. I estimate that those costs are currently approximately \$475, leaving us a net of \$3,200 in sponsorships and donations for Italy. Our fundraisers, sponsorships and donations have netted us \$15,568.62 to date for our "Italy Fund."

We have paid a preliminary registration fee of \$3,328.78 and set aside a further \$9,500 to complete our registration and pay our coach, Megan's, expenses. The total amount we have spent or committed to spending is \$12,828.78, leaving us a surplus of \$2,739.84 in our "Italy Fund".

We have \$9,740.40 in our General Account that was transferred into it from our ING Memorial Fund in November 2012. This fund was started with a bequest to the team in June, 2002. There is documentation that says the fund was to be used for: travel and financial assistance to members and families. It also says that all monies donated in memory of deceased members are to go into this fund. Money was both spent from and added to the Memorial Fund until the balance was transferred to our General Account.

### **Decision Required:**

**Since this money can be used for travel, do we want to add all or part of it to our Italy Fund? If part, how much?**

**If we don't want to add any of it to our Italy Fund, do we want to keep it separate as a financial assistance fund?**

**Or do we want to leave it as part of our General Account to be used for any team expense?**

If we add the \$9,740.40 to our Italy Fund, that will bring the surplus to \$12,480.24.

We anticipate having one or two more fundraisers for Italy: a Shout Sisters concert and a Dance/silent auction. I think it's reasonable to expect \$2,000 net from the concert, if Shout Sisters decides to hold it, and \$3,000 net from the dance/auction. I expect that by the time we leave for Italy, additional sponsorships will have netted us \$10,000.

If both fundraisers occur and we raise a further \$10,000 in net sponsorships, our total Italy Fund will be approximately \$27,480.24.

At our recent executive meeting, suggestions for expenditures for Italy in addition to what we have already spent or committed to were:

New racing shirts - est. cost 30 shirts X \$50 + HST = \$1,700

Self-inflating life jackets - est. cost 30 jackets X \$200 + HST = \$6,800

Hotel - est. cost 7 nights X \$100 X 25 members = \$17,500

Traveling Uniform - est. cost 25 members X \$200 + HST = \$5,650

They total \$31,650.00, leaving us just over \$4,000 short if we incur them all and realize all the potential income.

We could also raise funds by asking alumni and team members to consider making the team one of the charities they contribute to in 2018. I suggest we ask that the donations be made anonymously through Canada Helps. Donors will receive a tax receipt and the anonymity will ensure that no one feels pressured to donate or that anyone feels stigmatized by not donating.

**Decision Required:**

**Do we send an email to the team and alumni asking for donations?**

Revenue Canada's rules permit us to make the four suggested expenditures only if they help us accomplish our objects.

**Decisions Required:**

**For each suggested expenditure, does the expense fall within the rules? If it doesn't, do we want to ignore the rules? If it does fall within the rules, do we want to incur the expense?**

**Should we only help members with their hotel expense if they could not afford to attend the festival otherwise?**

**How do we want to prioritize the expenses we want to cover?**

**Are there any other expenses we want to try and cover? For example, do we want to cover all or part of a member's airfare and/or meals if the member could otherwise not afford to attend the festival?**

## **SUMMARY**

	Income/ Potential Inc.	Expenses/ Commitments	Balance
Italy Fundraisers to date	12,368.62		12,368.62
Sponsorships to date	500.00		12,868.62
Est. sponsorship exp. to date		475.00	12,393.62
Italy donations to date	3,175.00		15,568.62
Preliminary Registration		3,328.78	12,129.84
Registration, coach expenses		9,500.00	2,739.84
From General Acct (ING Memorial Fund)	9,740.40		12,480.24
Potential Fund Raiser (Shout Sister)	2,000.00		14,480.24
Potential Fund Raiser (Dance/auction)	3,000.00		17,480.24
Potential sponsorships	10,000.00		27,480.24
Hotel expense (7 nts. X 25 team X \$100)		17,500.00	9,980.24
Racing Shirts (\$50 + HST X 30 team)		1,700.00	8,280.24
Life Jackets (\$200 + HST X 30 team)		6,800.00	1,480.24
Travel Uniform (\$200 + HST X 25 team)		5,650.00	(4,169.76)