



# Canadian Coast Guard Auxiliary Guideline - SAR Volunteer Tax Credit

## Purpose

To provide regional CCGA organizations with guideline to determine, record and report 'Eligible Volunteer Hours' for the purpose of determining the Search and Rescue Volunteer Tax Credit eligibility for respective members in each region.

This tax credit is a great recognition for our volunteers who will have the opportunity in many cases to be reminded at least once a year (as they do their taxes) that the Government and people of Canada appreciate their efforts. It is important that we ensure that while we want to encourage everybody to record and claim every appropriate volunteer hour, we also need to ensure that it is done correctly so that no member or the organization as a whole is called into question.

## Background Information

### Facts

- Volunteers who perform in excess of 200 'Eligible Hours' in a calendar year will be able to claim a \$3,000 non refundable tax credit on their personal tax return at 15% credit rate such that they would receive \$450 in tax savings.
- This credit is available for 2014 tax year and beyond
- This credit is non refundable and as such, members need to have taxable income and tax payable in the year to benefit from this credit.
- Eligible hours include:
  - Responding to and being on call for search and rescue and related emergency calls,
  - Attending meetings held by the organization, and
  - Participating in required training related to search and rescue services.
- Eligible search and rescue service hours "consist primarily of responding to and being on call for search and rescue and related emergency calls, attending meetings held by the organization and participating in required training related to search and rescue services.
- **Need to provide CRA with certificate (letter) supporting the 200 hours if requested (i.e. if audited).** Letter needs to be provided 'team president or other individual who fulfils a similar role'.

- Standard says that members should rely on the search and rescue organization to determine the number of hours of eligible search and rescue volunteer services that they have completed in the year. The applicable policies and procedures of the organization would be applied in determining the number of hours that you were on call for search and rescue and related emergency calls.

### **Primary / Secondary Hours**

- As per CRA guidance, “Other services provided as a search and rescue volunteer to a search and rescue organization are also eligible, such as, the delivery of educational sessions undertaken by the organization. For the purpose of counting the number of hours of eligible search and rescue volunteer services, the number of hours devoted to the primary services described above must exceed the number of hours devoted to other services for a particular organization”.
- Similarly, the CRA gave guidance to the firefighters, suggests that non primary activities could also be included but hours used had to be less than the total of primary hours to meet the 200 hours requirement.
- As such, members need a minimum of 101 hours of Primary Service and rest (99 hours) can be for secondary items (i.e. Admin, meetings, maintenance, boating safety, etc.).

## Guideline

### Eligible Volunteer Hours

- Time spent in the following list of activities will be considered 'Eligible Volunteer Hours' for the purpose of this reporting

Type of Activity	Description
<b>Primary Hours</b>	
SAR Call	Responding to search and rescue and related emergency calls as a search and rescue volunteer
On Water Training	Participating in required training related to search and rescue services
Classroom Training	Participating in required classroom training related to search and rescue services. Examples include classroom theory lessons, first aid courses, certification courses, etc.
SAR Patrol	Crew involved in SAR Patrol
SAR Meetings	Attending to SAR Station or Unit meetings. These should be meetings directed towards the administration of a specific SAR resource, station, or unit and not confused with general administration, Regional or National administration considered in Secondary Hours below.
'On Call' Duty Crew	<p>Participating in dedicated 'Duty Crew' such that the crew member must attend to a SAR tasking. Examples include:</p> <ul style="list-style-type: none"><li>• Situations whereby community station has assigned duty crew for periods of time (i.e. Weekends, evenings) and this crew is expected to respond during that time.</li><li>• Situations where owner / operators are on the water and they have advised appropriate authority that they are on the water and available to respond and as such have obligation to respond during that period.</li><li>• To confirm, it would not include situations whereby a crew is on standby such that they are able to respond but don't have to (i.e. Additional crew in community station who may be receiving pages and allowed to respond but not required to or similar situation in private member, owner/operator, commercial fishermen situation).</li></ul>

Type of Activity	Description
<b>Secondary Hours</b>	
Administration	Time devoted to assisting the SAR Unit, Region, or National organization with general administration including meetings, policy creation, training planning.
Community Event	Participating in a community event with the purpose of promoting the organization and water safety
Maintenance	Participating in maintenance of a SAR equipment or a dedicated SAR vessel
Boating Safety	Participating in a Boating Safety or SAR Prevention activity including boat shows, vessel safety surveys, pleasure craft inspections, education seminars.
Fundraising	Participating in fundraising activities at local level to support the operation of SAR resource

### **Supporting Volunteer Hours**

- A. Support - It is of critical importance that in every instance, the collecting and reporting of volunteer hours is controlled such that the person certifying the hours has the ability to support the hours reported to the Canada Revenue Agency should they enquire or audit.
- B. Certifier – Each Station, Unit, or organization needs to identify appropriate authority that is able to certify and issue letters of support for hours incurred as defined above. For whatever method of recording hours that is utilized, it is necessary for the person certifying at year-end to be able to support the hours with evidence. These people need to be aware that they are providing evidence to support a tax credit and as such it needs to be treated with the utmost diligence. Any reporting of illegitimate hours in particular could be considered non-compliance with the law. For community stations, this person is likely to be a Station leader or designate. For others, the region can determine the most appropriate person in each circumstance such as the owner/operator, regional volunteer managers, regional paid staff, or others designated.
- C. Notify Crew – As per above, all crew need to be notified in the certificate that these hours reported are also their responsibility to ensure that it is true reflection of the volunteer hours given in the year. It is their personal tax return that this credit will be applied to and knowingly providing false information could lead to audit, re-assessment, or legal proceedings against them.
- D. Tracking – It is anticipated that for regions, stations, or other SAR resources using the SAR Management System (SMS), that this system will be able to be used to record and support the hours noted above. In cases where this system is not available or appropriate, it is required that another system is utilized to accumulate and support the hours such as spreadsheets, databases, web programs, other software or a paper based method.

- E. Timely Reporting – The person(s) responsible for providing the necessary supporting document should do so no later than the end of February each year. This is consistent with other tax document reporting deadlines (ie. T4, RRSP, etc.) and will allow the eligible member to complete their tax return in a timely manner.

### **Other issues**

- Volunteer perception – It is clear that a portion of the membership will not be able to achieve 200 hours a year which may have the unintended consequence of members who are upset or discontent. It needs to be made clear to these members that their organization significantly appreciates all the volunteer efforts we receive, big or small, and that the tax credit is simply an additional form of recognition and support for the most significantly active members. This threshold has been set by government. This additional recognition of certain members is an added and unexpected benefit for those who all volunteer without expectation of any return.
- Inappropriate volunteering – It has been raised that certain members of the public might see use our organizations as a method to gain a tax credit and save them money. We see this as remote likelihood especially if all policies herein are followed as the 200 hour requirement is significant and a very low return on investment for anyone. However, it is worth noting to the regions that it will be up to them to continue with appropriate recruiting, screening, and management of applicants to ensure that members are not joining for the wrong reason.