

Helping Charities Maximize Donations Towards the End of 2025 – What You Need to Know

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Canadian charities rely on donations to sustain their work and maximize their impact. As the end of 2025 approaches, your organization should be aware of the rules and deadlines that affect donors so you can help encourage timely giving and structure fundraising campaigns effectively. This article outlines key considerations for charities to keep in mind when engaging donors and summarizes notable legal considerations under several donation options.

The 2025 Charitable Donation Deadline

Charities may wish to remind donors that to claim a donation tax credit or deduction, as applicable, on their 2025 tax returns, gifts must be received by the charity by **December 31, 2025**. This applies to both cash donations and gifts of property. While this deadline could be subject to change on account of the current mail delivery delays created by the earlier Canada Post Strike, as of the date of this article, and unlike last year, there has been no extension of the donation deadline. Accordingly, charities may wish to encourage donors to use electronic payment methods or direct deposits to ensure donations are received before the deadline.

If donors inquire, however, charities can confirm that the [Canada Strong 2025 Budget](#) proposes to uphold the legislative amendments extending the eligible donation deadline for the 2024 taxation year to [February 28, 2025](#). However, the amendments have not yet been enacted.

Legal Considerations under Various Donation Options

Charities can strengthen their fundraising by understanding the legal considerations applicable to various donation options and communicating the benefits clearly. Generally, charities may wish to emphasize that corporate and individual donors receive tax deductions and tax credits, respectively. These deductions and credits can be carried forward and claimed up to five years from the date of the donation. Highlighting the tax benefits of giving can motivate donors to give before year-end.

Below is a summary of some available donation options along with legal considerations worth understanding.

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Cash Donations

Earlier this year, in an effort to curb money laundering, [Bill C-2](#), initially proposed a broad prohibition on cash transactions over \$10,000 (including donations). However, when [Bill C-12](#) (which sought to accelerate certain measures contained in Bill C-2) did not include the cash transactions ban, charities were relieved. As of the date of this article, there is no restriction on the size of lump sum cash payments that charities can accept, however we continue to monitor the progress of the remaining provisions of Bill C-2. That said, charities are still well-advised to make reasonable attempts to verify the sources of their donations, especially if they receive larger foreign contributions.

Gifts-in-Kind (private and public-company securities, art, real estate)

When receiving gifts in-kind, charities should be prepared to accurately determine their fair market value for the purpose of issuing donation tax receipts. Having clear policies and appraisal processes in place builds donor confidence. The Canada Revenue Agency's guidance on determining fair market value can be found [here](#). Charities may wish to promote the fact that donors can avoid capital gains tax when donating eligible securities, however, private foundations must be mindful of the shareholding restrictions applicable to them. Timing of a donation of shares, especially as we approach year end, is critical. Generally, the donation date for electronically transferred shares is the day the shares are credited to the charity's account or its broker's account. CRA's high level guidance on the donation of shares can be found [here](#). Additionally, fundraisers should ensure that they understand the terms of their organization's gift acceptance policy before agreeing to accept in-kind gifts as some policies, for example, prohibit the acceptance of shares of companies from certain industries.

Charitable Bequests

Charities may wish to encourage supporters to include charitable bequests in their estate planning. Providing sample language for wills or connecting donors with estate lawyers like Cassels' [Samantha Wu](#), can make this process easier.

Corporate Donations

Charities can target corporate partners by highlighting that corporations can claim a tax deduction from their taxable income. Tailored campaigns for businesses may yield significant gifts. Importantly, a "donation" is different from a "sponsorship". If a corporation wants to receive particular benefits from making the gift beyond basic recognition, the charity may be required to structure the contribution as a sponsorship.

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Ultimately, corporations receive the same tax benefits whether they make a donation or provide a sponsorship.

Employee Stock Options

Charities should be aware of the special rules for donations of shares acquired through stock options. Educating donors about the 30-day requirement can help secure these gifts.

Certified Cultural Property & Ecologically Sensitive Lands

Charities eligible to receive these specialized gifts should promote the unique tax advantages, including capital gains exemptions, to potential donors.

Key Takeaways for Charities

- **Communicate deadlines clearly** to donors, especially around December 31
- **Educate donors** on the tax benefits of different donation methods.
- **Prepare internal processes** (valuation, compliance, receipting) to handle complex gifts smoothly.
- **Engage corporations and estate planners** to expand fundraising opportunities.
- **Stay informed** about updates from the Canada Revenue Agency as well as budget proposals that may affect donation timing.

If you have any questions about charitable donations, please contact [Natasha Smith](#) or a member of the Cassels [Charity & Not-for-Profit](#) team.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.