



Eleos

Mercy in Action | Genade in Aksie

TAX DEDUCTION INFORMATION

*A summary for donors regarding the issuance
of Section 18A tax-deductible certificates*

- Qualifying Donations (The "Bona Fide" Requirement)
- Non-Qualifying Contributions (Strict Exclusions)

MORE INFORMATION:



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S18A

Certificate

Dear Eleos Friend

SECTION 18A DEDUCTION

ELEOS is registered as a Public Benefit Organisation (PBO) with the South African Revenue Service (SARS) and can as a result issue Section 18A receipts.

Government aims to assist non-profit organisations by allowing individuals and companies, with the implementation of Section 18A, to deduct certain donations made to a registered PBO as a valid tax-deductible expense (limited to 10% of your taxable income) in the calculation of taxable income.

THE GOOD NEWS – YOU CAN DEDUCT YOUR SECTION 18A DONATION FROM YOUR TAXABLE INCOME.

It is easy to claim the tax benefit in terms of Section 18A. When donating to Eleos, Eleos will, if requested by the donor, issue a Section 18A receipt. The 18A receipt includes information such as your name, address, date, nature and value of the donation.

When completing your income tax return, select the option for Section 18A donation and complete the information as detailed on your receipt. It is a simple process.

In the case of an individual, donations should be made on/or before 28 February 2026 to claim the donation as a tax deduction in the 2026 tax return. Donations made on/or after 1 March 2026, will form part of the 2027 tax return. With companies, the deduction depends on the actual year end of the company.

SO REMEMBER TO DONATE BEFORE 28 FEBRUARY.

Unfortunately, we can't issue a Section 18A certificate for the following donations:

- Amounts paid to attend a fundraising event.
- Memorabilia or other assets donated to be auctioned to raise funds.
- Amounts paid for school fees or other compulsory school levies.
- Amounts paid for raffle, lottery tickets or any similar type of fundraising event.
- Amounts paid for the successful bid of goods auctioned to raise funds.
- The value of free rent, water and electricity provided by a lessor to the lessee who is a Section 18 A organisation.
- Payment of debt owed by a section 18A organisation.



List of Items Required on a Section 18A Receipt (The Act):

For a certificate to be valid and accepted by SARS, Chapter 10 of the Guide and Section 18A(2) of the Act require it to include:

- PBO Details: The name, address, and unique Section 18A reference number of the organization, in this case Eleos.
- Donor Details: The name, address, and - as of March 2023 - the Donor's Tax Reference Number.
- Donation Details:
 - The date the donation was received.
 - The amount (for cash) or a detailed description of the nature of the property (for donations in kind).
- Valuation: For property, the specific valuation method used (Fair Market Value vs. Cost).

WE WOULD BE GRATEFUL IF GIVE YOUR SECTION 18A DONATION TO ELEOS. YOUR DONATION WILL HELP ELEOS TO BE 'MERCY IN ACTION'.

Read more about ELEOS and the difference that we make in the lives of children and families on our website at www.eleos.co.za, or visit our social media pages on Facebook and Instagram.

Please contact Hester at hester@eleos.co.za to arrange for the issue of the Section 18A Certificate after you made the donation.

Note to Donors:

Eleos is legally required to submit a third-party data return (IT3(d)) to SARS annually, listing all certificates issued. Ensure your tax details provided to the Finance Office are accurate to avoid your deduction being disallowed by SARS.

