

TOWN OF SLAVE LAKE

Council Policy

Department:	Finance	Policy No:	FIN.FN-23-1003
Policy Title:	Acceptance of Donations	Issue Date:	11-14-2023

1. **PURPOSE**

- 1.1. Set out guidelines for the acceptance and administration of donations.
- 1.2. Set out guidelines for the issuance of receipts for eligible accepted donations.
- 1.3. Set out the appropriate use of donated funds.

2. **POLICY STATEMENT**

- 2.1. The purpose of this policy is to ensure fair and transparent treatment of Donations received by the Town, and to maintain compliance with all relevant rules, regulations and legislation. The Town appreciates donations and will recognize them in a formal and consistent manner.

3. **DEFINITIONS**

Donation – A voluntary transfer of property, either cash or non-cash, made without conditions or expectation of return. A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a donation or non-cash donation for purposes of issuing official donation receipts. Grants, Public Sponsorship, and the volunteering of time are not considered a Donation.

Eligible Donation – a Donation that meets Canada Revenue Agency's criteria for the issuance of an official donation receipt for income tax purposes.

Donor – An individual or corporation making the donation. Normally this is the party who should receive the receipt.

Fair Market Value – The value of the property on the date the property is donated to the Town, as determined by an independent appraiser. This represents the amount at which the property would change hands in an open and unrestricted market, between a willing buyer and a willing seller who are acting independently of each other.

Cash - Generally include cheques, money orders, bank drafts, gift cards, as well as cash. Donations made by debit card and by credit card are also considered cash gifts.

Non-cash – Property other than cash, such as equipment, that has an ascertainable fair market value.

Without Expectation of Return – No benefit of any kind may be provided to the donor or to anyone designated by the donor.

Municipal Purposes – the purposes of a municipality as defined in Part 1, Section 3 of the Municipal Government Act (MGA).

CAO – shall mean the Chief Administrator Officer of the Town of Slave Lake, or their authorized representative.

Council – shall mean the duly elected Town Council.

Town – shall mean the Town of Slave Lake.

4. RESPONSIBILITIES

Council – Approves the Acceptance of Donation Policy and any amendments thereto.

Chief Administrator Officer – Ensures the Donation Policy is implemented and followed.

Director of Finance – Ensures that Donations receipts are issued, in accordance with Policy.

Town Staff – Ensures that Donations are received, in accordance with Policy, prior to the acceptance of the Donation.

5. GUIDELINES

5.1. Donations Received by the Town

5.1.1. When a Town employee is approached to receive a donation, that employee shall, in consultation with his/her Supervisor or Director, determine the compatibility of and need for the donation. The Town may exercise its right to refuse a donation if:

- 5.1.1.1. has no need for it;
- 5.1.1.2. creates a financial burden;
- 5.1.1.3. presents a conflict of interest;
- 5.1.1.4. creates undue risk;
- 5.1.1.5. does not align or support programs or services delivered by the Town;
- 5.1.1.6. is undesirable; or
- 5.1.1.7. is from an Elected Official.

5.2. Any Donation deemed to meet one of these criteria will be presented to Council for Decision.

5.3. Donations may be cash or non-cash. All non-cash donations (whether new or used), shall:

- 5.3.1. be of approved Canadian operational standards;
- 5.3.2. be compatible with existing equipment, unless it can be demonstrated that compatibility is not necessary and that substantial benefit would be derived from the donated property;
- 5.3.3. prior to receipt, receive an independent appraisal or valuation report from an appraiser knowledgeable in the appropriate field at the expense of the donor. The appraisal or valuation report should be based on the principles, theories, and procedures of the applicable valuation discipline and follow the standards of the profession. The report has to be an estimate of the FMV of the property as of the date of donation. If the

donor has purchased the item for donation, a copy of the purchase receipt should accompany the appraisal statement.

5.4 Gifts of services and volunteering of time are not considered an Eligible Donation and will not be issued an official donation receipt for income tax purposes.

5.5 Upon acceptance of a donation, it shall become the property of the Town of Slave Lake. Maintenance, repairs and upkeep of all donated items are the responsibility of the receiving department.

6. Issuing receipts

6.1. The receiving department shall issue an acknowledgment receipt under the authority of the Director upon acceptance of a cash or non-cash donation to the donor.

6.2. The receiving department shall notify the Finance department upon receiving a donation and provide the following:

6.2.1. Copy of acknowledgment receipt issued to donor, or copy of general receipt for cash purposes, indicating receipt number, date, general ledger code and the name and address of the donor including, in the case of an individual, the first and last name;

6.2.2. Statement of valuation by independent appraiser, if necessary.

6.3. Eligible Donations received by the Town will be processed and valued in accordance with Canada Revenue Agency requirements. An official donation receipt for income tax purposes will be issued if requested by the donor, providing the Eligible Donation has a value of \$20 or more.

- 6.4. An official receipt for income tax purposes will include all the prescribed information necessary by the Income Tax Act.
- 6.5. The Town will only issue an official donation receipt for income tax purposes for Eligible Donations received and used by the Town. The Town will not issue an official donation receipt for income tax purposes for Eligible Donations received on behalf of third parties.
- 6.6. Tax receipts must be approved and signed by the Director of Finance.

7. Use of Donated Funds

- 7.1. The Town cannot facilitate a “conduit” relationship between donors and an organization which is independent of the municipality. This means that the municipality’s authority to issue tax receipts cannot be used to provide an unrelated organization with the ability to provide contributors with a tax benefit.
- 7.2. The municipality must retain active control over the use of donated funds, i.e. it must actively oversee the use of donated funds.
- 7.3. The municipality may grant funds to organizations over which it exerts significant influence or which are considered municipal service organization.

8. Independence from Undue Influence

- 8.1. To ensure that the Municipality retains an arm’s length relation with a donor and as such, is not subject to undue influence; donations cannot be solicited or accepted from the following:
- 8.2. A party subject to an application for an approval, license, or permit, or bidder, proponent, or applicant, or any party not acting at arm’s length from a bidder, proponent, or applicant to an open procurement.
- 8.3. The Municipality shall not accept donations that are conditional upon the endorsement of any product, service or supplier.

- 8.4. Prior to accepting a gift with a value greater than \$500; the donor is required to make a written declaration that the donation to the Municipality is not concurrent with an approval or procurement process in which they, or their organization or company if applicable, are involved. This is accomplished by use of the Donor Declaration Form.

9. Donor Recognition

- 9.1. A donor may receive the same level of recognition as all other donors, with no special treatment, and the recognition is minimal.
- 9.2. Recognition does not include sponsorship. Sponsorship disqualifies a gift as a donation. If a business receives special recognition for its donation, or if it receives more than minimal recognition (for example, banners or advertising of products), this is considered sponsorship.
- 9.3. Names of donors will not be published without their permission.

10. REVIEW OF THE POLICY

- 10.1. This policy will be reviewed periodically, or as circumstances dictate, to ensure its effectiveness and relevance.

11. RELATED POLICIES

- 5.3. Text

12. APPROVAL and REVISION CONTROL

ISSUED BY	APPROVED BY:	DATE:
Mayor	<i>[Signature]</i> Ward	11/16/2023
Chief Administrative Officer	<i>[Signature]</i>	2023/11/20