

Donations – Received and Disbursed

Cross-reference: PUB-001-014 Public Sponsorship Policy
 GOV-001-026 Elected Officials Business Expense Policy
 SER-014-006 Disposal of Assets Policy
 FIN-001-027 Tangible Capital Assets Financial Reporting Policy

Policy Statement

Strathcona County, ~~being a Canadian municipality, may accept charitable donations for which receipts may be issued for income tax purpose to corporations (Section 110.1(1)(a)(iv)) and to individuals (Section 118.1(1) "Total Charitable Gifts" (d)) under the Income Tax Act of Canada.~~ accepts and appreciates Donations that support its Municipal Purposes and operational needs. When the County receives a Donation for a specific County program or initiative, the Donation will be used to support that program or initiative.

The ~~County appreciates~~ disbursement of ~~d~~Donations ~~and will recognize them in a formal and consistent manner.~~ by the County is not part of its regular program and service delivery. Any Donations made by the County must receive Council approval prior to being made and must align with Municipal Purposes. The County will exercise due care and consideration when making Donations to ensure responsible financial stewardship, accountability and transparency.

Purpose

The purpose of this policy is to ensure fair and transparent treatment of Donations received or disbursed by the County, and to maintain compliance with all relevant rules, regulations and legislation.

Definitions

County - the municipal corporation of the specialized municipality of Strathcona County.

Donation - a voluntary transfer of cash, cash equivalents, or goods (new or used) with no terms or conditions imposed on the recipient other than the program or initiative that it is to be used for. Grants, Public Relations, 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.

Gifts In-Kind - a type of charitable giving where instead of giving money to purchase needed goods or services, the goods or services themselves are given.

Goods - an item of property that is non-cash or non-cash equivalent and does not meet the definition of a Tangible Capital Asset.

Grant - a sum of money paid out by an organization for a particular purpose. Grants commonly include eligibility criteria, a formal application and selection process, and are usually

conditional upon certain qualifications as to the use.

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

Public Relations - expenses relating to activities associated with public engagement, community development, relationship building, and promoting the interests of the County.

Public Sponsorship - The County providing funds and/or in-kind support to external causes or initiatives in exchange for County profile or other benefits to support the delivery of programs or services (e.g. as part of memberships such as a professional association to aid in staff recruitment, or to support partners in the delivery of service).

Real Property - any interest in land, including buildings or the improvements to them.

Tangible Capital Assets - non-financial assets, including Real Property, having a physical substance that: a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other Tangible Capital Assets; b) have useful economic lives extending beyond an accounting period; c) are used on a continuing basis; and d) are not for sale in the ordinary course of operations.

Guidelines

1. ~~When a County employee is approached to receive a donation, that employee shall, in consultation with his/her Manager or Division Commissioner, determine the compatibility of and need for the donation. The County may exercise its right to refuse a donation if the donation is deemed inappropriate or undesirable.~~

This policy is subject to any specific provision of the MGA, Government of Canada tax laws administered by the Canada Revenue Agency and other relevant legislation.

2. ~~Donations may be cash, new objects or used objects. All donated objects (whether new or used), shall:~~
 - ~~• be of approved Canadian operational standards;~~
 - ~~• 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 object;~~
 - ~~• receive an independent appraisal from an appraiser knowledgeable in the appropriate field at the expense of the donor. If the donor has purchased the item for donation, a copy of the purchase receipt should accompany the appraisal statement.~~

This policy does not apply to the receipt of donated or contributed Tangible Capital Assets, which are covered by the County's Tangible Capital Assets Financial Reporting Policy (FIN-001-027).

3. ~~The receiving department shall issue a receipt under the authority of the Manager upon acceptance of an object or cash donation.~~

Planned or expected receipt or payment of Donations shall be identified in the approved budget. A Donation is considered to be planned or expected when there is a high likelihood that it will occur.

4. ~~An official receipt for income tax purposes will be issued by Financial Services if the donor has requested same and provided that the receiving department has forwarded the following documentation in a format satisfactory to Financial Services:~~
 - ~~a. letter of recommendation to issue official receipt for income tax purposes;~~
 - ~~b. copy of acknowledgment receipt, issued to donor or copy of general receipt for cash purposes, indicating receipt number, date, and general ledger code;~~
 - ~~c. statement of valuation by independent appraiser, if necessary.~~

All Donations, whether received or paid out, must align with the programs and services delivered by the County.

5. ~~Upon acceptance of a donation, it shall become the property of Strathcona County. Maintenance, repairs and upkeep of all donated items are the responsibility of the receiving department.~~

Donations Received by the County

- a. The County will evaluate the compatibility of and need for the Donation. The County may refuse a Donation if it:
 - has no need for it;
 - creates a financial burden;
 - presents a conflict of interest;
 - creates undue risk; or
 - does not align or support programs or services delivered by the County; or
 - is from an Elected Official.
 Any Donation deemed to meet one of these criteria will be presented to Council for decision.
- b. 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.
- c. The County will only accept donated Goods that:
 - are of approved Canadian operational standards;
 - are compatible with existing equipment, unless it can be demonstrated that compatibility is not necessary and that benefit would be derived from the donated Goods; and
 - prior to receipt, receive a certified appraisal from an appraiser knowledgeable in the appropriate field at the expense of the donor if the Goods have a perceived or estimated value of \$1,000 or more. If the donor has purchased the items for Donation, a copy of the purchase receipt should accompany the Goods.
- d. Eligible Donations received by the County 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.
- e. The County will only issue an official donation receipt for income tax purposes for Eligible Donations received and used by the County. The County will not issue an official donation receipt for income tax purposes for Eligible Donations received on behalf of third parties.
- f. Upon acceptance of a Donation, it shall become the property of the County.
- g. Council will be informed annually of all Donations received unless otherwise deemed necessary.

6. Donations Disbursed by the County

- a. All Donations disbursed by the County must be approved by Council prior to the Donation being made.
- b. Disposals of materials, equipment and lost property must be made in accordance with the County's Disposal of Assets Policy (SER-014-006) and are not covered by this policy.

- c. The County's preference for providing monetary support is through Public Sponsorship (see County' Policy Public Sponsorship (PUB-001-004)), Grants and funding opportunities provided by the County.
- d. Elected Officials may provide door prizes or auction items for community events, charitable and non-profit fundraisers as indicated in the Elected Officials Business Expense Policy (GOV-001-026).

Stratheona County
Municipal Policy Handbook

FIN-001-016

Policy Record

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~~Lead Role:~~ Chief Commissioner

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