

ACCEPTANCE OF DONATIONS POLICY

1. PURPOSE

The Region of Windsor and West Hants Municipality recognizes donations are, at times, necessary and legitimate in supporting the effective conduct of government business. The acceptance of donations will be done in such a manner as to respect the generosity of the public and their donations.

The purpose of this Policy is to define the:

- Framework for the acceptance of donations by the Municipality,
- Administration of donations,
- Issuance of tax receipts, and
- Appropriate use of donated funds.

2. DEFINITIONS

For the purposes of this Policy, the following definitions are provided:

- a. "CAO" refers to the Chief Administrative Officer of the Municipality.
- b. "Cash" refers to any common currency, cheques, money orders, or credit cards normally accepted by the Municipality.
- c. "Council" refers to the Council for the Municipality.
- d. "Donation" refers to a gift by a donor at arm's length of the Municipality. No advantage can accrue to a donor or to any person not dealing at arm's length to the donor as a result of a donation. A donation may be in the form of cash or in kind, meaning a security, a tangible capital asset, a cultural asset, or real property. Donated services are not eligible for consideration under the Income Tax Act.
- e. "Donation Fund" refers to a pool of donated assets established for a specified purpose by Council.
- f. "Elected Municipal Official" refers to a Council member and includes the Mayor and Deputy Mayor unless the context indicates otherwise.
- g. "Employee" refers to any person directly employed by the Municipality.

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- h. "Gift" refers to a contribution of cash or property to the Municipality, for which the donor received no consideration in return. Consideration may include, event tickets, use of the property, or dinner and/or performance at a fundraising event.
- i. "In-Kind Donation" refers to the donation of goods and services that are received in place of cash donations/gifts.
- j. "Municipality" refers to the Region of Windsor and West Hants Municipality (or the name of the Regional Municipality given as per Section 11 of the Region of Windsor and West Hants Municipal Act), effective April 1, 2020.

3. ACCEPTANCE AND USE OF DONATIONS

- a. Donations must only be accepted and used for purposes outlined in the Municipal Government Act, Section 65 – *"Power to Expend Money"*.
- b. Donations must be for purposes consistent with the Municipality's mandate, programs, services, and activities, and must be deemed to be in the public interest.
- c. The Municipality may elect to accept or decline any donation. If a gift is not accepted, the donor will be advised of the reason.
- d. The Municipality may decline donations, with approval from Council, from any donor who represents a reputational risk to the Municipality, through involvement in activities that are contrary to the values of the Municipality.
- e. The Municipality cannot accept donations from individuals or organizations, whom are currently in litigation against the Municipality.
- f. Donations greater than \$500 must be reviewed by the Director, Financial Services or designated individual, before being accepted by the Municipality.
- g. In-kind donations and donations for which a Donation Fund has not been established by Council can only be accepted if the Municipality has the capability to meet the initial and ongoing costs associated with the gift. This will be decided on a case by case basis by Council.
- h. Council may retain any in-kind donation or, sell the asset and use the proceeds as necessary, unless donated for a designated purpose. In instances where in-kind donations are designated for a specific purpose, donor consent will be required before sale.

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4. VALUATION OF IN-KIND DONATIONS

- a. Should Council accept and retain an in-kind donation, the donation will be assessed at its fair market value.
 - Should this in-kind donation be Real Property, *Acquisition of Real Property Policy* will be followed.
- b. A donation of inventory by a business is valued at its normal retail price.
- c. Where a public market does not exist to establish a fair market value of an in-kind donation (e.g. TSE, NYSE, etc.); an independent appraisal will be required.
- d. A donor may be asked by Council to make a cash donation to cover the costs of an appraisal.

5. DONATION FUNDS

- a. Council may establish Donation Funds for the collection and use of donations.
- b. All cash donations without a specific purpose will be deposited in the General Donations Reserve Fund.
- c. Donations of cash designated for specific purposes will only be accepted by the Municipality where Council has authorized the specific purpose or a fundraising campaign and where the necessary Donation Fund has been established.
- d. Contributions from a Donation Fund to an organization or individual is considered a grant and must be reported as such.

6. USE OF DONATED FUNDS

- a. The Municipality 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.
- b. The Municipality must retain active control over the use of donated funds, meaning it must actively oversee the use of donated funds. Guidelines are provided in *Section 5, Item c* of this Policy.
- c. Council may authorize the grant of a tangible capital asset or of real property financed with donations to an unrelated organization.
- d. The Municipality may grant funds to organizations over which it exerts significant financial influence, or which are considered municipal

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service organizations. Examples of such organizations include, but are not limited to, Libraries or Fire Departments.

7. INDEPENDENCE FROM UNDUE INFLUENCE

- a. To ensure that the Municipality retains an arm's length relationship with the donor and as such, is not subject to undue influence; donations cannot be solicited or accepted from the following:
 - A party subject to an application for an approval, license, or permit; or
 - A bidder, proponent, or applicant, or any party not acting at arm's length from a bidder, proponent, or applicant to an open procurement.
- b. 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.

8. ISSUING TAX RECEIPTS

- a. Tax receipt will only be issued for donations of \$20 or greater.
- b. Tax receipts will be issued no later than February 28th of the following year.
- c. Tax receipts must include the information prescribed by the Income Tax Act and the Canada Revenue Agency (CRA), as follows:
 - A statement that it is an "official receipt for income tax purposes",
 - The name and address of the Municipality, as on file with the CRA,
 - The unique serial number of the receipt,
 - The registration number issued by the CRA,
 - The place or locality where the receipt was issued,
 - The exact date and year the gift was received,
 - The date the receipt was issued,
 - The full name, including middle initial, and address of the donor,
 - The amount of the donation,
 - The amount and description of any advantage/recognition received by the donor,

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- The eligible amount of the donation,
- The signature of the individual authorized by the Municipality to acknowledge donations,
- Name and Address of the Canada Revenue Agency, canada.ca/charities-giving.

Should the receipt be for non-cash gifts, the official receipt must also include:

- The date the gift was received,
 - A brief description of the gift received by the Municipality,
 - The name and address of the appraiser (if the gift was appraised).
- d. Tax receipts must be approved and signed by the Director, Financial Services.

9. DONOR RECOGNITION

- a. Donors can only receive nominal recognition from the Municipality. Per the CRA, this is defined as having a fair market value equal to 10% or less of the amount of the gift.
- b. Individuals or organizations who receive advantage recognition from the Municipality, per the CRA, will no longer be eligible for an official tax receipt and will not be considered a donor. This is defined as having a fair market value equal to or greater than 80% of the amount of the gift.
- c. Donations that fall between the nominal and advantage recognition levels, as per the CRA, will have recognition subtracted from the donation and an official tax receipt will be issued for the difference.
- d. Recognition does not include advertising. Advertising disqualifies a gift as a donation. For instance, the Municipality can recognize a corporate donor by naming a room of a building after the company. However, the company logo should not be included in a publication or on a door plaque, as it may be considered advertising.
- e. Names of donors will not be published without their permission.

10. REPEAL

The Acceptance of Donation Policy, COFN-009.00 dated January 8, 2019 of the former Municipality of the District of West Hants is hereby repealed.

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I, Rhona Brown, Municipal Clerk of the Region of Windsor and West Hants Municipality, the Province of Nova Scotia, do hereby certify that this is a true copy of the Policy as adopted by the Council of the Region of Windsor and West Hants Municipality at a meeting duly called and held on the **28th** day of **April, 2020**

R.N. Brown
Municipal Clerk

<i>Adoption</i>	
<i>Notice to Council:</i>	April 14, 2020
<i>Approval:</i>	April 28, 2020
<i>Description:</i> Initial approval of the Acceptance of Donations Policy, RCOFN-007.00.	

REGION OF WINDSOR AND WEST HANTS MUNICIPALITY
Donor Declaration Form

I am voluntarily and unconditionally donating the sum of \$_____ to the Region of Windsor and West Hants Municipality, to benefit the development of the Municipality. I understand that the Municipality can direct my donation to a development of their choice, in their efforts to improve the area.

Consistent with the income tax interpretations of "qualifying donations," this contribution is made voluntarily without any conditionals and no benefit will accrue to myself (or related parties) because of my donation. I confirm that this donation does not or will not affect any approval or procurement process I (or related parties) may, directly or indirectly, be connected to. I also understand that civil penalties can be imposed against me for the misrepresentation of tax matters. Based on these facts, I understand that an official receipt for tax purposes will be issued.

Please submit this form along with your donation to:

The Region of Windsor and West Hants Municipality
76 Morrison Drive
PO Box 3000
Windsor, NS B0N 2T0

- Please make cheques payable to the Region of Windsor and West Hants Municipality.
- Each donation exceeding \$500 must come with its own donation declaration form.
- All donations are credited in Canadian Dollars
- Do not alter this form. Doing so may cause a delay or return of the donation.
- Donations may be delivered in person to the above address Monday to Friday from 8:30am to 4:30pm.

Donor Information	
Company Name or First Name:	Last Name:
Mailing Address:	
City:	Postal Code:
Telephone: ()	Email:
Donation Amount: \$	
Donor Signature:	Date: