

## ADMINISTRATIVE DIRECTIVE

Category: Finance

### Donations and Gifts Received Administrative Directive

Directive Number: FIN-130

Approved by: CLT

Administered by: Finance, Accounting Services

Effective Date: June 7, 2018

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#### 1. Purpose

The purpose of this Administrative Directive is to establish the business rules and guidelines with respect to acceptable donations or gifts that organizations, community groups or individuals may wish to make to the City of Brampton (the “City”) and/or to support City initiatives, projects, programs or services.

#### 2. Application and Scope

This Administrative Directive applies to both designated donations, as well as, undesignated donations received by the City.

##### 2.1 Exceptions

This Administrative Directive does not apply to:

- a) Inbound funding or grants to City departments and affiliated municipal agencies, boards or organizations for the purposes of delivering a community service and/or the provision of City infrastructure as defined in provincial or federal legislation;
- b) Donations received or fundraising initiatives by City staff on behalf of an outside organization (e.g. dress down days for local charities, United Way campaign, etc.); and
- c) Sponsorship arrangements with the City as these do not qualify as donations.

#### 3. Outcomes

- 3.1 Donations or gifts will only be considered when they have a purpose aligned with the City’s core values, vision or strategic goals and will be deemed to be in the public interest of the constituents of the City.
- 3.2 There will be consistent administration of donations or gifts received in line with this Administrative Directive in a responsible, transparent, and accountable manner. Please also refer to the City’s Gift Registry Guidelines.

## 4. Policy Statements

- 4.1 Donations or gifts shall conform to all applicable federal and provincial laws and to all applicable City by-laws, policies and practices.
- 4.2 The act of making a donation or gift to the City does not constitute a partnership, business venture or agency relationship between the City and a donor.
- 4.3 The City shall retain ownership and control over any donated or gifted property and/or funds.
- 4.4 Designated donations received in excess of the specific project requirements will be taken into the City operating surplus unless otherwise specified. The Treasurer will have the authority to establish a specific reserve fund for designated donations as and when required.
- 4.5 Donations or gifts may be appropriate for the following broad types of activities:
  - a) events – financial or in-kind donations or gifts for events delivered by the City;
  - b) City facilities development – financial or in-kind donations or gifts associated with the design and construction of a particular community/public facility;
  - c) program delivery – financial or in-kind donations that facilitate the ongoing delivery of a particular program, event or activity; and
  - d) other – financial, in-kind donations or gifts and endowments for all other City supported initiatives.
- 4.6 Donations or gifts must not:
  - a) adversely impact the City's identity, reputation or goodwill;
  - b) cause Council or City staff to receive any product, services or asset for personal use, benefit or gain (Please also refer to the City's Gift Registry Guidelines);
  - c) accrue any net advantage to the donor or to any person not dealing at arm's length to the donor as a result of the donation;
  - d) promote religious or political views that might be deemed prejudicial to other religious or political groups or incite violence or hatred; and/or
  - e) promote or condone stereotyping of any group or discrimination as defined by the Ontario Human Rights Code.

- 4.7 The City, in its sole and absolute discretion, may decline a donation from any donor who, in the opinion of the Council, or City staff, represents a reputational risk to the City through involvement in activities that are contrary to the core values of the City.
- 4.8 The City may decline donations or gifts from parties that are disqualified from doing business with the City or currently not in good standing (i.e. currently in violation of a by-law, policy or under litigation or potential litigation).
- 4.9 The City may decline donations or gifts for any reason it deems fit, in accordance with this Administrative Directive. If the donation of gift is not accepted, the donor may be advised of the reason at the City's discretion.
- 4.10 Authority for acceptance or denial of donations or gifts will be with:
- a) the Treasurer for donations and gifts up to \$10,000; and
  - b) Council for donations and gifts over \$10,000.
- 4.11 The City does not endorse the products, services, or ideas of any donor. Therefore, the City will not accept donations that are conditional upon the endorsement of any product, service or supplier.
- 4.12 The donation or gift may not cause unplanned operating or capital expenditure or significant administrative burden and will only be accepted if the City has the capacity to meet the initial and ongoing costs and obligations associated with the donation or gift.
- 4.13 The City is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for donations. All donations or gifts valued at \$10,000 or more will receive recognition appropriate to the level and nature of the donation, as determined by the City as well as the wishes of the donor.
- 4.14 Donations of \$10,000 or more in value may be documented through a formal agreement outlining the terms and conditions of the donation or gift.
- 4.15 Potential donors of significant value (\$10,000 or more) will be requested to:
- a) declare there is no conflict of interest:
  - b) disclose in writing to the City if they or their organization is currently or has recently been involved (in the previous 12 months) in a planning approval or procurement process with the City or registered with the City's 'Lobbyist Registry'.

In such a case, the City may, depending on the circumstances, refuse the donation or gift, request a waiting period, or take steps to insulate information about the donation or gift from decision-makers involved in the planning or procurement process.

4.16 The City will issue Income Tax Receipts for all donations or gifts that are valued at \$25 or more provided the donation is eligible based on rules set by Canada Revenue Agency (the “CRA”) and the provisions of this Administrative Directive.

## 5. Roles and Responsibilities

5.1 The Treasurer is responsible for:

- a) the administration, revision, and interpretation of this Administrative Directive;
- b) ensuring this Administrative Directive is consistent with the City’s accounting procedures and other statutory requirements; and
- c) authorizing all official Income Tax Receipts.

5.2 City Staff are responsible for:

- a) complying with the rules and requirements outlined in this Administrative Directive when receiving any donations or gifts on behalf of the City; and
- b) exercising integrity and good business judgment when receiving any donations or gifts and when dealing with donors to the City.

## 6. Monitoring and Compliance

The City must keep adequate records containing:

- a) information to allow CRA to verify receipts for which donors can claim tax credits or deductions;
- b) duplicate of each receipt containing prescribed information for each donation received; and
- c) evidence that donations were reconciled with the bank before an Income Tax Receipt is issued.

### 6.1 Consequences of non-compliance

Failure to follow this Administrative Directive may result in financial penalties, suspension of the City's receipting privileges or revoking of the City's qualified donee status by the CRA. If the City's qualified donee status is suspended or revoked, the City cannot issue Official Income Tax Receipts or receive donations or gifts from registered charities.

## 7. Definitions

- 7.1 'Donation or Gift' means a voluntary transfer of property without valuable consideration to the donor. These can be cash, real or personal property or in-kind contributions which provide assistance to the City.
- 7.2 'Designated donation or gift' means that the donor specifies use of the donation or gift for supporting a particular initiative, project, program, service, or purpose.
- 7.3 'Endowments' means a continuous donation of money or property to the City for the ongoing support of the City over a multi-year time horizon.
- 7.4 'Gifts-in-kind or in-kind' means non-cash gifts of property.
- 7.5 'Tax receipt' means registered charities (which includes most Municipalities) can issue Income Tax Receipts for donations that meet requirements of the Income Tax Regulations.
- 7.6 'Undesignated donation or gift' means those donations or gifts that are given to the City for an unspecified use.

## 8. References and Resources

### External references

- [CRA Guidelines for issuing Income Tax Receipts](#)

### References to related bylaws, Council policies, and administrative directives

- [City Guidelines for Gifts, Services, Tips and Gratuities](#)
- [Lobbyist Registry By-law](#)

### References to related corporate-wide procedures, forms, and resources

- [City Lobbyist Registry](#)
- [City Gift Registry](#)
- Issuing income tax receipts for donations and gifts to the City SOP

## Revision History

Date	Description
2020/07/01	Next Scheduled Review