

 <b>CITY OF</b> <b>Welland</b>	Title:	Corporate Donation Policy		
	Number:	FIN-001-0020		
	Revision Date:	N/A	Approved by:	CLT
	Revision Number:	N/A	Area:	Finance
	Document Type:	Policy	Department:	All

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## 1.0 Purpose

The purpose of this Corporate Donation Policy is to formalize the process for charitable donation receipts, including accounting for donations of cash or in-kind made to the City of Welland.

This policy will serve as the foundation for standard operating procedures for issuing official charitable donation receipts (tax receipts) to donors for income tax purposes.

The City of Welland is committed to following the rules and regulations set out by the Canada Revenue Agency (CRA), which will act as the foundation of this policy.

## 2.0 Policy Statement

The City of Welland is registered with the Canada Revenue Agency as a qualified donee. The City will issue official tax receipts for donations that qualify as charitable donations. Only if requested, the City will issue official tax receipts to donors for eligible donations with a minimum \$20.00 net cash value or net fair market value.

This policy works in alignment with the Corporate Partnership Policy (SER-008-0010).

## 3.0 Definitions

For the purpose of this policy, the following definitions apply:

**Cash:** Any common currency, cheques, money orders, and bank/certified drafts.

**Donation:** A gift by a donor at arm's length to the municipality. No advantage can accrue to the donor. A donation may be in the form of cash or in-kind.

**Charitable Donations:** Voluntary transfer of tangible property, including cash. A donation may be in the form of cash or in-kind, including securities, tangible capital assets, or real property. Donated services are not eligible for a tax receipt under the Income Tax Act.

**Donations In-Kind:** Tangible property, other than cash, which are eligible donations. They can include artwork, securities, a tangible capital asset, a cultural asset, or real property.

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**Eligible Donations:** Donations that can be acknowledged with official tax receipts for income tax purposes, in accordance with CRA guidelines.

**Net Amount of Donation:** The fair market value of the donation less any benefit received as a result of the donation.

**Non-Qualifying Donation:** Donations that cannot be acknowledged with official tax receipts for income tax purposes, in accordance with CRA guidelines.

**Eligible Amount of Gift:** This is the amount by which the fair market value of the gifted property exceeds the amount of any advantage received or receivable as a result of the gift.

**Fair Market Value (FMV):** Is defined as the highest dollar value that a property would bring in an open and unrestricted market, between the willing buyer and the willing seller who are acting independently of each other. The fair market value does not include taxes paid.

**Gift:** A contribution of cash or property to the Municipality, for which the donor receives no legal consideration in return. These include, but are not limited to:

- Capital property
- Real property
- Depreciable property
- Listed personal property (works of art, jewellery, rare books, stamps, coins)
- Inventory of a Business
- Gift Certificates, if donated by someone other than the issuer and the donor has obtained the gift certificate for valuable consideration either from the issuer or a third party
- Gifts of Life Insurance policies
- Gifts under Will

#### 4.0 Statutory Requirements

Income Tax Act, 1985 [Municipalities - Canada.ca](http://Canada.ca).

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## 5.0 Responsibilities

**Treasurer:** Maintaining the Corporate Donation Policy and related standard operating procedures, communicating eligibility of charitable donations to staff, and reviewing accounts prepared by staff.

**Manager of Revenue & Customer Service:** Responsible for issuing official donation receipts in compliance with the CRA guidelines and maintaining records according to CRA requirements.

**Departmental staff:** Responsible for compliance with the Corporate Donation Policy and any related standard operating procedures; in-kind donations are properly assessed; donation accounts are reconciled; and official donation receipt requests are accompanied by necessary documentation.

## 6.0 Donations

Donations involve gifts, monetary or in-kind, made by individuals, organizations, service clubs, or businesses to support the City’s programs, services, or infrastructure. Depending on the scale of the donation and terms, a donation agreement may be required and may be shared with Council for awareness.

### Eligibility for Donation

- Donations may be accepted from individuals, businesses, service clubs, or organizations that align with the City’s values and objectives.
- Donations that may create conflicts of interest, violate ethical standards, or be seen as attempting to unduly influence City decisions will not be accepted.

### Types of Donations

- Monetary Donations: Cash contributions to support City programs or capital projects.
- In-Kind Donations: Non-monetary contributions, such as equipment, materials, or services.
- Legacy Gifts: Donations made as part of planned giving or bequests to support long-term initiatives.

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**Acceptance Process**

- Donations are reviewed by City staff for alignment with the City’s goals, strategic priorities, and ethical standards.
- All donations or donation programs must be approved by the applicable department director or delegate.
- A formal acknowledgment will be issued for all donations over \$5,000, and larger contributions may be accompanied by a public recognition plan (e.g., plaques, mentions at events, online recognition).

**7.0 Administration**

Eligibility:

To be eligible for an official receipt, the donation must:

- Be made payable to the City of Welland, and
- Be in cash or in-kind; and
- Be voluntary; and
- Be beneficial to the community of the City of Welland.

Non-Qualifying Donations that cannot be acknowledged as a gift in accordance with Canada Revenue Agency include:

- Intangibles such as services, time, skills, and effort.
- Donations that are given to the City intended as a flow-through to a specified recipient who does not have charitable organization status.
- Donations of business marketing products, such as supplies and merchandise.
- Sponsorship in the form of cash, goods, project, program, or corporate asset in return for commercial benefit.

Donation of services may be accepted; however, a charitable donation receipt cannot be issued.

Monetary Donation Guidelines:

The City of Welland will issue official tax receipts for monetary donations in the current year:

- To the individual or organization who made the donation;
- If the eligible amount is \$20.00 or greater;

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- The donation was received by the last business day of December, or the donation is postdated prior to December 31st.

In-Kind Donation Guidelines:

- Compliance with City by-laws and/or policies.
- Conflict of interest or potential for an appearance of a conflict of interest.
- Compliance with the laws, conventions, and treaties of the other levels of government.
- Consistency with the City’s priorities, mandates, and strategic plan.
- Associated risks (e.g. financial risks, political risk, health, and safety issues)
- Condition of the donation.
- Value of the donation.
- Usefulness of the donation.
- Cost/benefit analysis, if determined by the Treasurer to be necessary, would consider installation, storage, maintenance, renewal, replacement, and relevant costs.
- Availability for full and unencumbered transfer of ownership/title, and a donor release to allow for such a transfer.

The City may elect to accept or decline any donation. If the gift is not accepted, the donor shall be advised of the reason.

Declining a Donation:

The City/ Treasurer may decline a donation if the donor is:

- Concurrently seeking approval, permit, license, or planning application from the City.
- A bidder, proponent, or applicant to a procurement during the procurement solicitation period from the time of bid issuance until contract award.
- An individual or organization currently in litigation against the City.
- For any other reasons at the discretion of the City.

Issuing a Tax Receipt:

In accordance with CRA guidelines, it is the responsibility of the City to collect and maintain records for the issuance of Official Tax Receipts. If a donation is deemed

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eligible, the income tax receipt can be issued, and must be legible and shown in a way that cannot be easily altered. Official Tax Receipts must include the following:

Description	Monetary	Non-Monetary
A statement that it is an official receipt for income tax purposes	X	X
The name and address of the qualified Donee	X	X
A unique serial number	X	X
The location where the receipt was issued	X	X
The date the donation was received	X	X
The date the receipt was issued	X	X
The name and address of the donor	X	X
The amount of the donation	X	X
The signature of an individual authorized by the qualified Donee	X	X
A brief description of the non-monetary donation received		X
The FMV of the non-monetary donation		X
The name and address of the appraiser (if the non-monetary donation was appraised)		X

## 8.0 Use of Funds

Donations will be directed to the intended purpose as outlined by the donor, or in cases where no specific designation is provided, will be allocated to areas of greatest need and strategic impact as determined by the City of Welland.

### Revision History

Date	Description of Change	Initials