



**City of
Lloydminster**

Policy

Policy Title:	Donation Policy	Policy Number:	134-12
Date of Adoption:		Motion Number:	
Date of Amendment:		Motion Number:	

1. Purpose:

- 1.1. To ensure fair and transparent treatment of Donations received or disbursed by the City while maintaining compliance with all relevant regulations and legislation.

2. Definitions:

Advantage	The total value, at the time the gift is made, of all property, services, compensation, or other benefits that a person is entitled to receive in relation to a gift. It may be conditional or receivable in the future, either by the donor or a person or partnership not dealing at arm’s length with the donor.
Arm’s Length	A relationship between two or more unrelated and unaffiliated persons, acting independently and in their own self-interest.
Conduit	A Qualified Donee that funnels its resources to a non-Qualified Donee without direction or control.
Conflict of Interest	When an individual or business interest (family, friendships, financial, social) could compromise the judgment, decisions or actions of a person or business.
Donation	A voluntary transfer of cash, cash equivalents, services, or goods for the benefit of municipal operations.
Elected Official	A person who is an official by virtue of an election. Includes all levels of government (municipal, provincial, and federal).
Eligible Donation	A Donation that can be acknowledged with an official Donation receipt, in accordance with CRA guidelines.
Fair Market Value	Fair Market Value is usually the highest dollar value you can get in an open and unrestricted market and between a willing buyer and a willing seller

	who are knowledgeable, informed, and acting independently of each other.
Gifts in Kind	Donations of tangible property, other than cash.
Member of Council	An individual elected pursuant to <i>The Local Government Election Act</i> (Saskatchewan) as a Member of Council.
Official Donation Receipt	A document issued by a Qualified Donee that provides official documentation of a gift made by a donor, in accordance with CRA guidelines. Typically used for income tax purposes.
Qualified Donee	An organization that is qualified by the Canadian Revenue Agency to issue Official Donation Receipts for gifts it received from individuals and corporations.

3. Scope:

- 3.1. This policy applies to all Members of Council and all Administration that are responsible for Donations received and disbursed by the City.

4. Responsibilities

- 4.1. Council is responsible for approving this Policy and any amendments.
- 4.2. The City Manager is responsible for implementing this Policy and approving procedures relating to this Policy.
- 4.3. The Finance Department is responsible for issuing and reconciling Official Donation Receipts.

5. Donations Received by the City

- 5.1. Donations must be for purposes consistent with the City's mandate, programs, services, and activities and must be deemed to be in the public interest of the City.
- 5.2. The City may refuse a donation if:
 - 5.2.1. there is no need for the donation;
 - 5.2.2. creates a financial burden;
 - 5.2.3. presents a conflict of interest;
 - 5.2.4. creates undue risk;
 - 5.2.5. does not align or support programs or services delivered; or
 - 5.2.6. is donated from an Elected Official.

- 5.3. Any refused Donation must meet one of the criteria listed in 5.2 and receive authorization of the City Manager prior to communicating the with the Donor.
- 5.4. The Donor can ask that their gift be applied to a specific City program or initiative if there is no benefit to the Donor, or anyone at arm's length to the Donor.
 - 5.4.1. Donations may be refused if the donor imposes restrictions that are not feasible for the City to fulfill. This includes bequests and endowments.
- 5.5. Where Donations have been allocated by the City for a specific program or initiative, the funds will be segregated in an appropriate account or reserve until they are used for the specified purpose.
- 5.6. Upon acceptance of a Donation, it shall become the property of the City.
- 5.7. Donations of objects that are considered cultural artifacts will be in accordance with the Museum Collections Management Policy.

6. Official Donation Receipting

- 6.1. The City is recognized by the CRA as a qualified Donee. This designation allows the City to issue Official Donation Receipts for eligible gifts received.
- 6.2. The following requirements must be met for Official Donation Receipts to be issued:
 - 6.2.1. the gift must be given freely by the donor, and not result from a contractual or other obligation;
 - 6.2.2. the gift must be at least \$20 in value;
 - 6.2.3. only gifts of property (cash or Gifts in Kind) qualify for an official donation receipt. Gifts of services, such as labour, time, and effort, do not qualify for an official donation receipt;
 - 6.2.4. pledges to donate do not qualify until the pledges have been satisfied.
- 6.3. The City will only issue Official Donation Receipts for donated Gifts in Kind that are accompanied with documentation substantiating the Fair Market Value of the gift:
 - 6.3.1. purchased items donated should be accompanied with a purchase receipt;
 - 6.3.2. donated items valued greater than \$1,000 should be accompanied with a certified independent appraisal from an appraiser knowledgeable in the appropriate field;

- 6.3.3. in some cases, Fair Market Value may be deemed according to CRA guidelines.
- 6.4. The City will not act as a Conduit and issue Official Donation Receipts for Donations given to the City intended as a flow through to a specified recipient who does not have charitable status.
- 6.5. When a Donor receives an Advantage in return for a Donation, the Advantage will reduce the eligible amount of the Donation partially or entirely.
- 6.6. A contribution in the form of cash, goods or services towards an event, project, program in return for commercial benefit (logo placement, signage, promotion) is deemed to be a sponsorship and as such is not eligible for an Official Donation Receipt for income tax purposes.

7. Acknowledgements

- 7.1. The City is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for Donations. For all Donations valued at \$100 or more, a formal letter of acknowledgement and gratitude will be sent to the donor.

8. Donations Disbursed by the City

- 8.1. Donations of cash made by the City must be budgeted and approved by Council through the budgeting process.
- 8.2. Donations of City Tangible Capital Assets will be in accordance with the Tangible Capital Asset policy.
- 8.3. The City's preference for providing monetary support is through Grants and funding opportunities provided by the City to further municipality interests and benefit the community.

9. Penalty:

- 9.1. Any member of Administration found to be in violation of this Policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this Policy; discipline may range from a verbal warning to dismissal with cause.
- 9.2. Any Member of Council found to be in violation of this Policy may be dealt with utilizing the "*Code of Conduct Bylaw*" or provisions of "*The Lloydminster Charter*."