

**THE CORPORATION OF THE CITY OF WINDSOR
POLICY**

Primary Owner:	Finance-Financial Accounting	Policy No.:	CS.A1.07
Secondary Owner:	n/a	Approval Date:	February 26, 2018
		Approved By:	CR99/2018
Subject:	DONATIONS POLICY	Effective Date:	Immediate
		Procedure Ref.:	See Sec. 7
Review Date:	February 2023	<i>Pages: 3</i>	Date: February 26, 2018
Prepared By:	A. Varsa, J. De Luna - Finance		Replaces: Jan 21, 2013 (M20-2013)

1. POLICY

- 1.1. The City will comply with Canada Revenue Agency (CRA) and Ontario Municipal Act (OMA) regulations for the acceptance of donations and the issuance of official donation receipts.
- 1.2. In accordance with CRA regulations, a receipt for donated services is prohibited.
- 1.3. Prior to acceptance, the City will undertake due diligence in the review and assessment of proposed donations-in-kind to determine usefulness, financial impact, exposure to risk and/or liability. The City reserves the right to reject any proposed donation-in-kind.

2. PURPOSE

- 2.1. Define what constitutes a donation.
- 2.2. Establish the guidelines for:
 - 2.2.1. Accepting a municipal donation.
 - 2.2.2. Recording a municipal donation.
 - 2.2.3. Issuing a receipt for a municipal donation.

3. SCOPE

- 3.1. This policy applies to all departments within the City of Windsor, as well as Agencies, Boards, Commissions and Committees (ABCs) funded by the City, in whole or part, or whose governing body contains City representation, and for which the City is responsible to issue an official donation receipt.
- 3.2. Exclusion:
 - 3.2.1. ABCs that have charity status under Canada Revenue Agency and maintain their own policies/procedures for accepting donations as well as issuing official donation receipts.

4. RESPONSIBILITY

- 4.1. The **City Council** is responsible to:
 - 4.1.1. Acknowledge all donations, including donation-in-kind, with a value greater than \$50,000.
- 4.2. The **Chief Financial Officer (CFO)/City Treasurer**, or designate, is responsible to:
 - 4.2.1. Review, assess and approve all donations including donations-in-kind prior to acceptance.

- 4.2.2. Sign all official donation receipts and/or a letter of acknowledgement.
- 4.2.3. Communicate (as required) this policy and related procedures to all stakeholders.
- 4.2.4. Direct the review and update of this policy, at a minimum, of every five years.
- 4.3. **Executive Directors (or ABC Equivalents),** working with **Financial Planning Administrators,** are to recommend only those donations that are allowable under this policy and related procedures.
 - 4.3.1. The Executive Director will consult with the Manager of Financial Accounting prior to assuring that an official donation receipt will be issued to the donor.
 - 4.3.2. Prepare reports for donations requiring Council presentation and acknowledgement.
- 4.4. The **Manager of Risk & Insurance,** or designate, is responsible to:
 - 4.4.1. Assess potential donation-in-kind for property risk and hazard liability.
 - 4.4.2. Ensure adequate insurance coverage for donation-in-kind (where applicable).
- 4.5. The **Manager of Financial Accounting,** or designate, is responsible to:
 - 4.5.1. Review donation support to verify compliance to this policy and related procedures.
 - 4.5.2. Prepare and issue official donation receipts in accordance with this policy and related procedures.
 - 4.5.3. Coordinate reports and supporting information for donations requiring council presentation and acknowledgement.
 - 4.5.4. Ensure proper recording and accounting of all donations.
 - 4.5.5. Maintain a sequential log of issued official donation receipts.
- 4.6. The **Financial Planning Administrators** are responsible to:
 - 4.6.1. Assist with departmental compliance to this policy and related procedures.

5. **GOVERNING RULES AND REGULATIONS**

- 5.1. A donation (gift), as defined in the Income Tax Act, is a voluntary transfer of real or personal property without valuable consideration.
- 5.2. A donation greater than \$50,000 will be presented to, and acknowledged by, City Council.
- 5.3. Gifts of a nominal value (donations of used clothes, etc.) will not qualify as a donation-in-kind.
- 5.4. All donations are to be properly recorded and accounted for within CRA, PSAB and/or other related legislative guidelines.
- 5.5. Donation receipts will not be issued for cash donations under \$10 or for donation-in-kind with a value under \$50.
- 5.6. Donation of services may be accepted; however, an official receipt for income tax purposes cannot be issued.
- 5.7. Official donation receipt must meet minimum information requirements as outlined in the Income Tax Act. The official CRA online site should be visited, at a minimum annually, to ensure compliance with the most recent requirements.
- 5.8. Donations received must be recorded in a sequential receipt log.

- 5.9. Where the Fair Market Value (FMV) of the donation-in-kind is less than \$1,000, the City reserves the right to determine if the appraised value is fair. For FMV greater than \$1,000 a professional appraiser, valuator or other individual who is accredited in the field of valuation is strongly recommended by CRA.

6. RECORDS

- 6.1. Copies of issued donation receipts must be retained and filed in accordance with the City's Schedule of Retention Periods for Records By-Law and include appropriate support such as:
 - 6.1.1. For a cash (or cash equivalent) donation, support as provided by the receiving department.
 - 6.1.2. For a donations-in-kind, the PDA and related forms that support the assessment process.

7. REFERENCES AND RELATED DOCUMENTS

- 7.1. Assessment, Valuation, and Acceptance of Donations-in-Kind Procedure
- 7.2. Acceptance of Donations - Cash or Cash Equivalent Procedure
- 7.3. Donation-In-Kind Pre-Delivery Acknowledgement (PDA) Form
- 7.4. Assessment of Proposed Donation-in-Kind Form
- 7.5. Donations-in-Kind Checklist Control Form