



Policy Number:	CO-055
Effective On:	December 09, 2024
Approval History:	NEW
Review Frequency:	Every four (4) years
Division Responsible:	Recreation / Finance
Cross-Reference:	Policy Standards #CO-006 Council Renumeration and Expense Policy #CO-002 Tangible Capital Assets # CO- 010 and # CO-14-01 Sponsorship and Advertising Policy # CO-011 Grant In Aid # CO-019 Disposal of Surplus Property # CO-024 and CO-024-01 Special Events Policy #CO-036 City Identity Policy # CO-038 Naming Policy # CO-052 Contributions for City Promotion #CO-37

**1. Policy Statement**

The City of Wetaskiwin accepts and appreciates donations that support its municipal purposes and operational needs. When the City receives a donation for a specific City program or initiative, the donation will be used to support that program or initiative.

The disbursement of donations by the City is not part of its regular program and service delivery. Any donations monetary or in-kind (valued greater than \$ 2,500) made by the City must receive Council approval prior to being made and must align with municipal purposes. The City will exercise due care and consideration when making donations to ensure responsible financial stewardship, accountability, and transparency.

**2. Purpose**

The purpose of this policy is to ensure fair and transparent treatment of donations received or disbursed by the City, and to maintain compliance with all relevant rules, regulations, and legislation. To ensure fair and transparent treatment of donations received or disbursed by the City while maintaining compliance with all relevant regulations and legislation.

**3. 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

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This Policy is subject to any specific provisions of the Municipal Government Act or other relevant legislation.

Elected Official Initial \_\_\_\_\_

City Manager Initial \_\_\_\_\_

partnership not dealing at arm's length with the donor. It includes (but not limited to) a ticket to an event, the use of property, or another benefit.

**Arm's Length** - a relationship between two or more unrelated and unaffiliated persons, acting independently and in their own self-interest.

**Chief Administrative Officer** – means the person appointed by Council to carry out the powers, duties, and functions of the position of Chief Administrative Officer, or the person appointed as their designate

**City** - the municipal corporation of the specialized municipality of Wetaskiwin.

**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.

**Council** – means the Council, including the Mayor of the City of Wetaskiwin, in the Province of Alberta

**Donation** - a voluntary transfer of cash, cash equivalents, or goods (new or used) with no terms or conditions imposed on the recipient other than the program or initiative that it is to be used for. Grants, public relations, public sponsorship, and the volunteering of time are not considered a donation.

**Donnée** - the recipient of this generosity, receiving the gift or donation for personal, charitable, or organizational benefit.

**Donor** - an individual or organization that gives something, often money or goods, without expecting anything in return. This act of giving can be motivated by charity, altruism, or for tax benefits

**Elected Official** – any individual that has been chosen by the public to become a member of City Council.

**Eligible Donation** - a donation that meets Canada Revenue Agency's criteria for the issuance of an official donation receipt for income tax purposes.

**Employee** – refers to those employees of the City of Wetaskiwin

**Gifts In-Kind** - a type of charitable giving where instead of giving money to purchase needed goods or services, the goods, or services themselves are given.

**Goods** - an item of property that is non-cash or non-cash equivalent and does not meet the definition of a Tangible Capital Asset.

**Grant** - a sum of money paid out by an organization for a particular purpose. Grants commonly include eligibility criteria, a formal application and selection process, and are usually conditional upon certain qualifications as to the use.

**Management** – means all those in Manager and above positions.

**Not for Profit** - all the money earned by or donated to a not-for-profit organization is used in pursuing the organization's objectives and keeping it running; income is not distributed to the group's members, directors, or officers. Organizations in the nonprofit sector are tax- exempt charities or other types of public service organizations; as such, they are not required to pay most taxes.

**Official Donation Receipt** - a document issued by a Qualified Donor that provides official documentation of a gift made by a donor, in accordance with CRA guidelines. Typically used for income tax purposes.

**Public Relations** - expenses relating to activities associated with public engagement, community development, relationship building, and promoting the interests of the City.

**Public Sponsorship** - the City providing funds and/or in-kind support to external causes or initiatives in exchange for City profile or other benefits to support the delivery of programs or services (e.g. as part of membership such as a professional association to aid in staff recruitment, or to support partners in the delivery of service).

**Qualified Donor** - an organization that is qualified by the Canadian Revenue Agency to issue Official Donation Receipts for gifts it received from individuals and corporations

**Real Property** - any interest in land, including buildings or the improvements to them

**Tangible Capital Assets** - non-financial assets, including Real Property, having a physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development construction, maintenance or repair of other Tangible Capital Assets;
- have a useful and economic life extending beyond an accounting period;
- are used on a continuing basis; and
- are not for sale in the ordinary course of operations.

#### 4. Standards

- 4.1 This policy is subject to any specific provision of the Municipal Government Act (MGA), Government of Canada tax laws administered by the Canada Revenue Agency (CRA), and other relevant legislation.
- 4.2 This policy does not apply to the receipt of donated or contributed Tangible Capital Assets, which are covered by the City's Tangible Capital Assets Policy CO-010 and CO-014-01.
- 4.3 Planned or expected receipt or payment of donations shall be identified in an approved budget. A donation is planned or expected when there is a high likelihood that it will occur.

4.4 All donations, whether received or paid out, must align with the programs and services delivered by the City.

## 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 will evaluate the compatibility of and need for the donation. The City may refuse a donation if it:

- a. has no need for it.
- b. creates a financial burden, regardless of the value.
- c. presents a conflict of interest.
- d. creates undue risk.
- e. does not align or support programs or services delivered by the City; or
- f. is from an Elected Official.

5.3 Gifts of services and volunteering of time are not considered an eligible donation and will not be issued an official donation receipt for income tax purposes.

5.4 The City will only accept donated goods that:

- a. are of approved Canadian operational standards.
- b. are compatible with existing equipment, unless it can be demonstrated that compatibility is not necessary, and that benefit would be derived from the donated Goods; and
- c. prior to the City accepting the donation one of the following must be provided by the Donor:
  - i. A copy of the purchase receipt or,
  - ii. If the donor does not have the purchase receipt and the item is unique or high value (market value of \$ 2,500 or higher), a formal appraisal report from a qualified appraiser will accompany the goods, at the expense of the donor. The written appraisal report should justify the Fair Market Value of the goods based on comparable sales and other relevant factors.

5.5 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.

- a. Donations may be refused if the donor imposes restrictions that are not feasible for the City to fulfill. This includes bequests and endowments.

5.6 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.

5.7 Upon acceptance of a donation, it shall become the property of the City.

5.8 Eligible donations received by the City will be processed and valued in

accordance with Canada Revenue Agency requirements. An official donation receipt for income tax purposes will be issued if requested by the donor, providing the Eligible Donation has a value of \$ 20 or more.

- 5.9 The City will only issue an official donation receipt for income tax purposes for eligible donations received.
- 5.10 Council will be informed annually of all donations received and in-kind disbursements, by Administration.

## **6. Official Donation Receipting**

- 6.1 The City is recognized by the Canada Revenue Agency (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:
  - a. the gift must be given freely by the donor, and not result from a contractual or other obligation.
  - b. the gift must be at least \$ 20 in value.
  - c. only gifts of property (cash or Gifts in Kind) qualify for an official donation receipt.
  - d. Gifts of services, such as labour, time, and effort, do not qualify for an official donation receipt; 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.
- 6.4 When a donor receives an advantage in return for a donation, the advantage will reduce the eligible amount of the donation partially or entirely.
- 6.5 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. Donations Disbursement Scope**

- 7.1 This policy applies to all Members of Council and Administration that are responsible for donations received and disbursed by the City.
  - a. Monetary Donations – while not a common form of donation, applications requesting monetary funds will be reviewed by Administration.
  - b. Gifts In Kind Donations – are a common form of donation request. In Kind donation requests will be reviewed by Administration. For gifts in kind donation requests of \$ 2,500 or less can be approved by the Department Manager.
  - c. In-kind donations that exceed \$ 2,500 will be approved by the Chief

Administrative Officer or designate.

## **8. Donations Disbursed by the City**

- 8.1 All donations disbursed by the City must be approved by the Chief Administration Officer or designate prior to the donation being made when it exceeds a value of \$ 2,500.
- 8.2 Disposal of materials, equipment and lost property must be made in accordance with the City's Disposal of Surplus Property # CO-024 and are not covered by this Policy.
- 8.3 The City's preference for providing monetary support is through Public Sponsorship (in accordance with the City's Sponsorship & Advertising Policy #CO-011), grants (in accordance with the Grant-In-Aid Policy #CO-019), and other funding opportunities provided by the City.
- 8.4 Elected Officials may provide door prizes or auction items for community events, charitable and non- profit fundraisers as indicated in the Council Remuneration and Expense Policy #CO-002.

## **9. Request Guidelines**

- 9.1 Requests for support must meet at least one of the following criteria:
  - a. General exposure and profile - an event or activity enhances the City's general profile and/or status, and/or increases overall awareness of the City of Wetaskiwin as a community, particularly when the event or activity will provide media exposure for the City.
  - b. Economic benefit - an event or activity attracts tourists and visitors to the City thereby providing economic benefit to local businesses.
  - c. Promote civic pride and sense of place - The event or activity will enhance entertainment, recreational, and cultural opportunities for Wetaskiwin residents and will help create a more varied, vibrant, and interesting local flavor.
- 9.2 Organizations and/or charities whose primary focus is not within the municipality shall not be considered for a municipal donation, unless there is a mutual benefit to the organization or the City.
- 9.3 The City of Wetaskiwin does not provide monetary support for business events, conferences, and any other events and/or activities that are solely commercial in nature.
- 9.4 The City of Wetaskiwin reserves the right to request specific information regarding any group, individual, or organization requesting an 'in-kind donation.
- 9.5 Request must be made in writing to the appropriate Department Manager, upon condition of providing required documentation.
- 9.6 The City of Wetaskiwin recognizes that some events are strongly identified within

the community; therefore, these events may require ongoing funding due to the exposure and tourism opportunities they provide. The City of Wetaskiwin may opt to commit to funding for more than a one-year period, however the annual request process will still be required.

- 9.7 On-going support is not guaranteed.
- 9.8 In making In-kind donations, the municipality may impose such conditions and/or restrictions as it deems fit.
- 9.9 Facility and/or Equipment donation requests exceeding 75% of the rental cost must be approved by the Chief Administrative Officer or designate.
- 9.10 Approval of in-kind requests is subject to the budgeted funds available in any given year.
- 9.11 The City of Wetaskiwin may provide promotional items for fundraising purposes, including door prizes, auction items and giveaways, at the discretion of the CAO or designate, subject to request.
- 9.12 The City of Wetaskiwin may post or advertise information on behalf of a charity or non-profit organization on staff or public bulletin boards in City facilities, in the local newspaper, on the City website, and through social media channels at the discretion of Administration, at no incurred cost to the City of Wetaskiwin.
- 9.13 This section is not exhaustive but provides the general rules for disbursement of in-kind donations and the City of Wetaskiwin reserves the right to accept or refuse a request for any reason.

## **10. Requesting an In-Kind Donation Process**

- 10.1 Requests for in-kind donations should be received at least 15 (fifteen) business days prior to the event to be considered.
- 10.2 Each application will be reviewed by Administration with a recommendation forwarded to the CAO or designate, if the value of the request exceeds two-thousand, five hundred dollars (\$2,500) for decision.
- 10.3 In determining the amount of support, the City of Wetaskiwin will consider:
  - a. total budgeted cost for the event or activity;
  - b. the applicant's contribution to the event by way of volunteer activities, in-kind and financial contributions;
  - c. the benefit to the community overall, and the significance of the event or activity; and
  - d. the marketing value and opportunity offered the City in exchange for its support.

## 11. Acknowledgements

- 11.1 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 twenty dollars (\$20) or more, a formal letter of acknowledgement and gratitude will be sent to the donor.

## 12. Penalty

- 12.1 Any member of Administration or Council found to be in violation of this Policy may be subjected to disciplinary action, as per the Council Code of Conduct and/or Municipal Government Act. 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.

*Original has been signed & filed with  
Records Management*

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Tyler Gandam, Mayor

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Sue Howard, City Manager