

The Municipality of Central Manitoulin

By-law No. 2025-13

Being a by-law to adopt an Acceptance of Donations and Fundraising Campaigns Policy for The Municipality of Central Manitoulin

WHEREAS Section 5(3) of the Municipal Act, S.O. 2001, c.25, as amended, provides that municipal power shall be exercised by by-law;

AND WHEREAS the Council of The Municipality of Central Manitoulin is desirous of adopting an Acceptance of Donations and Fundraising Campaigns Policy;

NOW THEREFORE the Council of The Municipality of Central Manitoulin ENACTS as follows:

1. That the Acceptance of Donations and Fundraising Campaigns Policy attached hereto as Schedule "A" is hereby adopted and shall form part of this by-law.
2. That this by-law shall come into force and takes effect on the day of the final passing thereof.

Read a first time on this **24th day of April, 2025.**

Read a second and third time and finally passed on this day of , 2025.

Mayor – Richard Stephens

CAO/Clerk – Denise Deforge

I, _____, Clerk of the Municipality of Central Manitoulin, hereby verify that the foregoing is a true copy of by-law number 2025-13 passed by the Council of the Municipality of Central Manitoulin on the 14th of February 2025.

CLERK

Municipality of Central Manitoulin

Acceptance of Donations and Fundraising Campaigns Policy



1. Policy Statement

The Municipality of Central Manitoulin accepts donations from community groups, organizations, and individuals, and may initiate Fundraising Campaigns to support Municipal projects, programs or services.

The purpose of this policy is to set out in accordance with the *Income Tax Act* and the Canada Revenue Agency guidelines and standards for:

- acceptance of Donations;
- issuing Official Income Tax Receipts to donors for income tax purposes; and,
- collection, recording and disbursement of Donations.

2. Scope

This policy applies to all Fundraising Campaigns and Donations which are intended to support projects, programs or services which are offered by The Municipality of Central Manitoulin.

This policy also applies to all Members of Council pertaining to their support and involvement with Fundraising Campaigns. The provisions of this Policy supplement the Council Code of Conduct.

3. Purpose/Application

The Municipality recognizes that community groups, organizations, and individuals, may wish to make Donations to support Municipal projects, programs or services. This policy sets out a process for establishing Fundraising Campaigns and establishes methods for accepting Donations and issuing Income Tax Donation receipts for income tax purposes.

The Municipality is committed to conducting all business in an open and transparent manner. This policy also defines the conduct of Members of Council pertaining to their support and involvement with Fundraising Campaigns.

4. Definitions

For the purpose of this Policy, the following terms shall have the meaning as ascribed to them:

- a) **"Accountability"** is the principle that the Municipality will be responsible to its stakeholders for decisions made and policies implemented, as well as its actions or inactions;
- b) **"Chief Administrative Officer (CAO)"** means the duly appointed Chief Administrative Officer of The Municipality of Central Manitoulin;

- c) **"Council"** means the duly elected Council of The Municipality of Central Manitoulin.
- d) **"CRA"** means the Canada Revenue Agency;
- e) **"Donation"** means a gift, bequest, financial contribution, or in-kind contributions of tangible property such as art, furniture, equipment, material of historical interest, which has been given voluntarily and without compensation or non-monetary consideration such as advertising, promotion or services;
- f) **"Fair Market Value (or Valuation)"** means 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 of a property does not include taxes paid; taxes are costs incurred by the buyer;
- g) **"Fundraising Campaign"** means a strategic effort to raise funds to be donated to the Municipality to support a particular Municipal project, program or service and which is conducted independent of the Municipality by a community group, organization, or individual; or in partnership with the Municipality, at the discretion of Council;
- h) **"Gifts in-Kind"** means a gift of tangible property, other than cash, that are eligible donations;
- i) **"Integrity Commissioner"** means the Integrity Commissioner appointed by the Council of The Municipality of Central Manitoulin pursuant to the Municipal Act, 2001;
- j) **"Member of Council (Council Member)"** means the Mayor, or a Councillor of The Municipality of Central Manitoulin. For the purpose of this Policy, fundraising involvement by a person acting on behalf of a Member of Council is deemed to have been undertaken by the Member of Council;
- k) **"Non-Qualifying Donations"** means donations for which an Official Income Tax Receipt cannot be issued in accordance with CRA guidelines;
- l) **"Official Income Tax Receipt"** means a receipt issued by the Municipality as a Qualified Donee under the *Income Tax Act*, for a Donation made to the Municipality, which may be used by the donor to claim a tax credit on their income tax return;
- m) **"Qualified Donee"** means an organization that under the *Income Tax Act* may issue Official Income Tax Receipts for Donations it receives from individuals and corporations and registered charities;
- n) **"Municipality"** means The Municipality of Central Manitoulin;
- o) **"Transparency"** is the principle that the municipality actively encourages and fosters stakeholder participation and openness in its decision-making processes. Additionally, transparency means that the municipality's decision-making process is open and clear to the public.

- p) **"Treasurer"** means the duly appointed Treasurer of The Municipality of Central Manitoulin or designate.

5. Donations

5.1. Accepting Donations

- a) All donations shall be presented to the Council of The Municipality of Central Manitoulin for consideration. The Council of The Municipality of Central Manitoulin reserves the right, in its sole discretion, to accept or decline any Donation.
- b) To accept a Donation, the Donation must be for purposes consistent with the Municipal's mandate, programs, services and activities and must be deemed by Council to be in the public interest.
- c) Donations shall only be accepted if the Municipality has, in the sole discretion of Council, the capacity to meet the initial and ongoing costs and obligations associated with the Donation.
- d) The Municipality shall not accept a Donation where any advantage will accrue to the donor or to any person not dealing at arm's length to the donor as a result of the Donation. The Municipality may decline Donations from any donor who in the opinion of Council, represents a reputational risk to the Municipality through involvement in activities that are contrary to the values of the Municipality. Examples include but are not limited to:
 - Proven or suspected criminal organizations; and
 - Organizations that promote hatred against individuals or groups.
- e) The Municipality shall not accept Donations from individuals or organizations currently in litigation against the Municipality.
- f) The Municipality will accept Donations from community groups, organizations and individuals subject to general direction. Donations where the purpose is not specified are deemed to be undesignated and become contributions to the general revenue of the Municipality.
- g) The Municipality will accept the involvement of charitable organizations and community groups in fundraising activities for projects related to the repair, enhancement or construction of Municipal-owned facilities at the direction of Council and in accordance with this Policy.
- h) Where the donor requests that conditions be placed on the use of the Donation, the Municipality's legal services must be consulted to ensure that the appropriate agreements are prepared prior to accepting the Donation.

- i) After a Council decision has been made to accept a Donation, the Donation shall be non-refundable and the donor shall relinquish any involvement, and any implementation or use of the funds. This shall be the responsibility of the Municipality and in accordance with applicable Municipal policies.

5.2. Gifts In-Kind

- a) In-kind Donations to the Municipality must be free and clear of all encumbrances, conditions and restrictions and shall provide that use of the property shall be entirely at the discretion of the Municipal.
- b) Final acceptance of an in-kind Donation will require a transfer of title or ownership through a written agreement as to the future use and disposition except with respect to applicable legislation on preservation, copyright and/or resale. An agreement, satisfactory to the Municipality, signed by the Donor and the Municipality shall be required prior to the acceptance of the in-kind Donation.
- c) Written valuations of in-kind Donations shall be submitted with an external appraisal by an independent arm's length qualified appraiser or other third-party supporting documentation, satisfactory to the Treasurer to substantiate fair market value.

5.3. Official Income Tax Receipts

- a) The Municipality will issue an Official Income Tax Receipt for Donations for Municipality projects, programs or services that qualify as Charitable Gifts in accordance with the *Income Tax Act*, regulations and CRA guidelines. The Treasurer shall be responsible for the issuance of all Official Income Tax Receipts in accordance with the following:
 - I. Official receipts for income tax purposes shall be authorized by the Treasurer for eligible gifts and gifts-in-kind made to the Municipality;
 - II. For gifts in-kind, the fair market value of the Donation must be supported by an independent arm's length appraisal or other third-party supporting documentation, satisfactory to the Treasurer;
 - III. Receipts shall be made in the name of the donor only;
 - IV. Receipts shall be issued for all Donations having a value of \$20.00 or more, if requested by the donor.
- b) Non-Qualifying Donations, in accordance with the *Income Tax Act*, regulations and CRA guidelines include:
 - I. Intangibles such as services, time, skills and effort;
 - II. Donations that are given to the Municipality intended as a flow

- through to a specified recipient who does not have charitable organization status;
- III. Donation of business marketing products such as supplies and merchandise;
 - IV. Sponsorship in the form of cash, goods or services toward an event, project program or corporate asset in return for commercial benefit.

5.4. Records

- a) The Treasurer shall maintain proper books and records supporting all Official Income Tax Receipts issued.
- b) Copies of Official Income Tax Receipts issued must be retained and filed in accordance with the Municipality's Records Management and Retention Policy.

5.5. Accounting

- a) Where Donations are received by the Municipality, the funds will be recorded in the appropriate account by the Treasurer.
- b) Donations may be disbursed only for their intended purpose and in accordance with the terms, conditions, restrictions or any agreement governing the use of the Donation.

6. Fundraising Campaigns

6.1. Establishing a Fundraising Campaign

- a) Fundraising Campaigns may be established to raise funds to be donated to the Municipality to support a particular Municipal project, program, or service. All Fundraising Campaigns require the approval of the Council of The Municipality of Central Manitoulin in order to be established.
- b) Community groups/organizations/individuals requesting Council approval of a Fundraising Campaign shall first contact The Municipality of Central Manitoulin Clerk's Department to request a copy of the "Fundraising Campaigns Application Form". All requestors shall complete this form in its entirety to provide the information necessary for Council's consideration on whether to establish the Fundraising Campaign.
- c) Community groups/organizations/individuals that are desirous of establishing a Fundraising Campaign are encouraged to partner with a Qualified Donee other than the Municipality for the purpose of issuing Official Income Tax Receipts for Donations. Upon acceptance of the final Donation from the Qualified Donee by the Municipality, the Municipality shall issue an Official Income Tax Receipt to the Donor organization.
- d) Where partnership with a non-Municipal Qualified Donee is not viable, the

requestors may partner with the Municipality, at the discretion of Council.

- e) When determining whether to proceed with a Municipal partnership Fundraising Campaign as set out in section 6.1(d) of this Policy, Council shall give consideration to the Municipality's capacity to provide administrative support to the Fundraising Campaign and the potential need for additional temporary staffing to offset the increased administrative burden of the Fundraising Campaign.

6.2. Fundraising Campaigns – Municipal Partnership

- a) Where a Fundraising Campaign has been established through a partnership with The Municipality of Central Manitoulin as set out in section 6.1(d) of this Policy, the Municipality shall be responsible for any procurement and implementation of the project, program, or service after the funds have been raised.
- b) The Municipality shall be responsible for management and oversight of the Fundraising Campaign donations and all Municipal applicable policies and procedures shall apply.
- c) Where Donations are being received by the Municipality as part of a Municipal partnership Fundraising Campaign, the following shall apply:
 - Where a Donation is made by cheque, the cheque must be made payable to The Municipality of Central Manitoulin.
 - The Donation must be accompanied by all pertinent information (i.e. donor name, including middle initial if available and address of donor) for the purpose of issuing an Official Income Tax Receipt.
- d) The Treasurer shall have the authority to amend the administrative procedures for the receipt and processing of Donations as part of a Fundraising Campaign as necessary.
- e) The donor to a Fundraising Campaign shall relinquish any further involvement, and any implementation or use of the funds. This shall be at the sole discretion of the Municipality and in accordance with applicable Municipal policies.

7. Council Member Involvement in Fundraising Campaigns

7.1. Council Member Support for a Fundraising Campaign

- a) As per section 6.1(a) of this Policy, all Fundraising Campaigns require the approval of the Council of The Municipality of Central Manitoulin in order to

be established.

- b) Members of Council may support Fundraising Campaigns in a variety of ways including, but not limited to:
 - I. encouraging community and corporate donations to Fundraising Campaigns;
 - II. acting as the Council Representative to a Fundraising Campaign for the purpose of serving as a liaison between the Campaign and Council (any Council Representative appointment must be a decision of Council).
- c) Members of Council supporting Fundraising Campaigns shall exhibit accountability and transparency with their involvement and carry out their involvement in a manner that promotes public confidence.
- d) Members of Council shall not use the influence of their office for any purpose other than the lawful exercise of their official duties and for municipal purposes.
- e) When considering whether to support or become involved with a Fundraising Campaign, Members of Council may wish to disclose all material facts to the Integrity Commissioner and obtain guidance from the Integrity Commissioner with respect to the support/involvement, prior to extending such support/involvement, which concludes that the Member does not have a conflict between their private interest and public duty.
- f) Through consultation with the Chief Administrative Officer, Members of Council shall ensure that their support or involvement in a Fundraising Campaign does not require staff time and/or Municipality of Central Manitoulin resources.

7.2. Council Member Involvement During an Election Year

- a) In an election year, no Member of Council shall seek or accept any funds for any Fundraising Campaign within The Municipality of Central Manitoulin.