

## TITLE: DONATIONS AND FUNDRAISING

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RESOLUTION NUMBER: 2024-04-21

POLICY #: CP-010

EFFECTIVE DATE: APRIL 23, 2024

SUPERSEDES:

UP FOR REVIEW: 2028

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### PURPOSE

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

The purpose of this policy is to establish clear guidelines for fundraising activities and donations made to the Town of Magrath, ensuring fair and transparent treatment of donations, and maintaining compliance with all relevant rules, regulations, and legislation.

### DEFINITIONS

**Town** – The municipal corporation of the Town of Magrath

**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.

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

**Fundraising:** Any activity conducted to collect money, goods, or services from the public for a specific purpose on behalf of the Town of Magrath.

**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.

**Municipal Purposes** – the purposes of a municipality as defined in Part 1, Section 3 of the Municipal Government Act (MGA).

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

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

**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:

- a) Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or the development, construction, maintenance or repair of other tangible capital assets;
- b) Have a useful and economic life extending beyond an accounting period;
- c) Are used on a continuing basis; and
- d) Are not for sale in the ordinary course of operations.

## **POLICY STATEMENTS**

### **Guidelines**

1. This policy is subject to any specific provision of the MGA, Government of Canada tax laws administered by the Canada Revenue Agency and other relevant legislation.
2. Planned or expected receipt or payment of donations shall be identified in the approved budget. A donation is considered to be planned or expected when there is a high likelihood that it will occur.
3. All donations, whether received or paid out, must align with the programs and services delivered by the Town,

### **Donations Received by the Town**

1. The Town will evaluate the compatibility of and need for the donation. The Town may refuse a donation if it:
  - Has no need for it;
  - Creates a financial burden;
  - Presents a conflict of interest;
  - Creates undue risk;
  - Does not align or support programs or services delivered by the Town; or
  - Is from an elected official.

Any donation deemed to meet one of these criteria will be presented to the Council for decision.

2. Gifts of services and volunteering of time are not considered eligible donations and will not be issued an official donation receipt for income tax purposes.
3. The Town will only accept donated goods that:
  - Are of approved Canadian operation standards;
  - 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
  - Before receipt, receive a certified appraisal from an appraiser knowledgeable in the appropriate field at the expense of the donor if the goods have a perceived or estimated value of \$1,000.00 or more. If the donor has purchased the items for donation, a copy of the purchase receipt should accompany the goods.
4. Eligible donations received by the Town 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, provided the eligible donation has a value of \$20.00 or more.
5. The Town will only issue an official donation receipt for income tax purposes for eligible donations received and used by the Town.
6. Upon acceptance of a donation, it shall become the property of the Town.
7. The Council will be informed annually of all donations received unless otherwise deemed necessary.

**Fundraising on Behalf of the Town**

1. No individual, group, or organization may fundraise on behalf of the Town of Magrath without prior approval from Town Council.
2. Requests for authorization must be submitted to Council and clearly outline the purpose of the fundraising activity, the intended use of funds, and the proposed timelines and fundraising methods.