



FIN-013

DONATION AND SPONSORSHIP

POLICY

Contents

1. Purpose2

2. Scope2

3. Definitions2

4. Guidelines for Monetary Donations.....3

 4.1 Monetary Donations.....3

 4.2 Donations for Specific Event Operating Budgets3

 4.3 Donations for Infrastructure and Memorial Projects.....3

 4.4 Roles and Responsibilities.....3

5. Guidelines for Non-Monetary Donations4

 5.1 Non-Monetary Donations.....4

 5.2 Donations of Land and/or Buildings4

 5.3 Agreements with Donors5

 5.4 Acceptance of Donations.....5

 5.5 Roles and Responsibilities.....5

6. Guidelines for Sponsorships6

 6.1 Sponsorship of Municipal Recreation or Events6

 6.2 Sponsorship of Municipal Programs or Facilities6

 6.3 Recognition of Donors and Sponsors7

 6.4 Roles and Responsibilities.....7

7.	Council Approval of Donations.....	7
8.	Special Provisions for Donations Related to Shared Community Projects	8
9.	Matching Contributions by Council/Municipal Budget	8
10.	Donation Receipts and Tax Receipts	8
11.	Online Crowdfunding and Donation Platforms	9
12.	Administration and Review.....	9

1. Purpose

This policy provides guidelines for accepting, recognizing, and managing donations and sponsorships to the Municipality of Mississippi Mills to enhance municipal services, programs, events, and facilities. It ensures consistency, transparency, and accountability in the acceptance and stewardship of donations and sponsorships.

2. Scope

This policy applies to donations accepted by the Municipality:

- Monetary donations
- Non-monetary donations, including equipment, artwork, land, and other goods or services.
- Donations directed toward municipal projects, community events, and shared community-municipal initiatives.
- Sponsorship of specific events or programs, such as recreation activities and festivals.

3. Definitions

- a) Donation: A voluntary gift of cash, goods, or services provided to the Municipality without compensation or valuable consideration.
- b) In-kind Donation: Non-monetary gifts made to the Municipality, which may include physical goods, no cost services, tangible and intangible goods, volunteer time, or professional services
- c) Recognition: The acknowledgment of a donor or sponsor's contribution.
- d) Sponsorship: A cash or in-kind contribution to support a municipal event, program, or facility, typically with the expectation of public recognition.

4. Guidelines for Monetary Donations

4.1 Monetary Donations

All donations must be unconditional unless specifically approved by the Municipality. The Municipality will accept donations that align with its mission, strategic goals, and community needs. Staff in consultation with the CAO and Mayor may decline donations that do not meet this criteria.

Monetary donations can be directed toward specific projects or programs, subject to municipal approval. Specific projects or programs must be endorsed by Council before staff can accept donations for such projects or programs. In the case of project or program specific donations, the intent to proceed with said project or program must be confirmed by Council before donations will be accepted.

4.2 Donations for Specific Event Operating Budgets

Committees managing municipal events (e.g., 'Light Up the Night') may collect donations specifically for that event's operating budget. Accountability mechanisms should be clearly stipulated prior to the event to ensure that donated funds are duly provided to the Municipality in full. Donated funds should not be used to cash flow expenditures but rather be accounted for and remitted in full, with appropriate expense claims submitted separately for reimbursement. Event-based donations collected on-site (e.g., during fireworks displays or at other gatherings) will be managed by the municipal Finance Department for tracking and accounting purposes. Donation receipts will not be provided for event-based donations collected on-site.

4.3 Donations for Infrastructure and Memorial Projects

Donations for items such as benches and plaques may be accepted according to the Municipality's existing policies on memorial donations.

For projects such as the Riverwalk or other community assets, donor recognition options may include name plaques or other forms of acknowledgment approved by Council.

4.4 Roles and Responsibilities

With respect to monetary donations, Council is responsible for:

- approving specific projects and programs for which donations will be accepted
- approving Municipal events for which donations will be accepted
- approving policies related to memorial donations
- approving donor recognition options and programs

Staff are responsible for:

- accepting donations for projects, programs and events as identified and approved by Council
- documenting and enforcing accountability mechanisms that ensure that donations are collected, managed, safeguarded, and recorded accurately
- carrying out recognition programs as approved by Council
- consulting with the CAO and Mayor as necessary to assess whether a donation aligns with the Municipality's mission, strategic goals, and community needs

5. Guidelines for Non-Monetary Donations

5.1 Non-Monetary Donations

The Municipality will accept donations that align with its mission, strategic goals, and community needs. Staff in consultation with CAO and Mayor may decline donations that do not meet this criteria.

All donations must be unconditional unless specifically approved by the Municipality.

Non-monetary donations, including artwork and equipment, will be assessed for relevance, condition, maintenance costs, and potential liability. Once accepted, the Municipality assumes responsibility for the care, maintenance, and storage of donated items.

5.2 Donations of Land and/or Buildings

Donations of land and buildings will be assessed for criteria specific to each donation. The Corporate Services department will coordinate the initial assessment to consider condition, risk, forecasted operating expenditures, maintenance requirements, location, and other relevant factors.

Included in the initial assessment staff will convey whether an up to date survey is available, and whether there are any known liens or other restrictions on title or legal costs that might be associated with the transfer of the property. This initial assessment report shall be brought to Council to determine whether the donation should be further evaluated.

If Council approves further consideration of the donation, a Phase 1 Environmental Site Assessment (ESA) and if required a Phase 2 ESA and Record of Site Condition will be obtained. Staff will conduct a title search to ensure there are no other liens or other restrictions on title. Staff will make recommendations to Council about further terms of a donation agreement including but not limited to financial responsibility for obtaining a survey and legal costs for transfer of the property, and any other considerations specific to that particular property. The results of this second assessment report will be brought to Council for final evaluation and acceptance or not of the donation.

The Municipality is not obligated to accept donations or bequests of land and/or buildings.

5.3 Agreements with Donors

In the case of artwork or other valuable items, the donor may stipulate requirements related to:

- Care and Maintenance
- Cleaning
- Security
- Insurance
- Temperature / environment
- Copyright
- Other

If the Municipality is unable to meet the requirements as set out by the donor, the Municipality and donor may agree that the donation be made as a temporary installation, or not be made at all.

Donated items may be removed, relocated, or altered based on condition, safety, or municipal needs.

The Municipality and the donor may wish to enter into an agreement respecting the donation. The agreement must include the items listed above in this Section 5.3, and acknowledgement by the donor that donated items may be removed, relocated, altered, disposed of, sold, transferred or gifted at the sole discretion of the Municipality. Alternative arrangements may be agreed to between the donor and Municipality. All agreements must be approved by Council.

5.4 Acceptance of Donations

The Municipality is not obligated to retain donated items for any specific period of time, and should the Municipality decide to dispose of, sell, transfer, or gift the donation this is at the sole discretion of the Municipality, unless otherwise agreed with the donor.

5.5 Roles and Responsibilities

With respect to non-monetary donations, Council is responsible for:

- approving any conditions that may be associated with a proposed donation
- reviewing initial assessment information to direct staff whether or not to proceed with further evaluating a land or building donation
- reviewing second assessment information and approving or not approving a land or building donation

- approving the donation agreement to finalize acceptance of non-monetary donations, where applicable

Staff are responsible for:

- assessing condition, maintenance costs, and potential liability and sharing this information with Council to support decision making related to acceptance of non-monetary donations
- coordinating the initial assessment of condition, risk, forecasted operating expenditures, maintenance requirements, location, and other relevant factors related to proposed land or building donations
- following direction from Council related to further assessment including Phase 1 and Phase 2 ESAs and title search for proposed land or building donations
- making recommendations to Council about further terms of a donation agreement including but not limited to financial responsibility for obtaining a survey and legal costs for transfer of the property, and any other considerations specific to that particular property
- drafting a donation agreement for Council's consideration and approval, where applicable
- consulting with the CAO and Mayor as necessary to determine whether a non-monetary donation aligns with the Municipality's mission, strategic goals, and community needs

6. Guidelines for Sponsorships

6.1 Sponsorship of Municipal Recreation or Events

Sponsorships for events (e.g., Public Skating, Canada Day celebrations) may be accepted and can be publicly acknowledged at the event or on promotional materials.

Sponsorships and associated recognition must comply with municipal branding and public presentation standards. The Municipality is not obligated to approve sponsorships and staff, in consultation with the CAO and Mayor, may exercise discretion in accepting sponsorships, especially related to the mission, vision and values of the sponsoring organization.

6.2 Sponsorship of Municipal Programs or Facilities

The Municipality may seek and/or approve sponsors for programs such as asset improvements or beautification. New sponsorship programs shall be approved by Council.

In the event that a sponsorship program is agreed upon, such programs shall be automatically renewed on an annual basis, where appropriate, without renewal of Council approval.

6.3 Recognition of Donors and Sponsors

Donors and sponsors will be recognized based on the level of contribution, with appropriate options including public acknowledgment, plaques, certificates, or naming opportunities (subject to municipal approval).

The Municipality may provide plaques or install donor-recognition features on specific projects as appropriate.

Donor and sponsor recognition shall be clearly communicated, in writing, prior to the Municipality engaging in a fundraising initiative.

6.4 Roles and Responsibilities

With respect to sponsorships, Council is responsible for:

- Approving any new sponsorship programs before implementation
- Approving recognition mechanisms as part of any new sponsorship program

Staff are responsible for:

- Carrying out public acknowledgement for sponsorships in alignment with branding and public presentation standards
- Introducing sponsorship programs as approved by Council
- Carrying out recognition for sponsorships as approved by Council
- Consulting with the CAO and Mayor as necessary to determine whether a sponsor or sponsorship aligns with the municipality's mission, vision and values

7. Council Approval of Donations

In circumstances where funds are raised for projects that have not previously been approved by Council, acceptance of donations is conditional on Council approval. Direction from Council related to acceptance of donations and how the funds will be spent if the project does not proceed must be shared with donors prior to acceptance of the donation.

In accepting funds raised for specific projects, a written agreement between the Municipality and the donor(s) shall be made, detailing the purpose of the donation, the reserve account in which the funds will be held, contact information for the donor(s), time limitations for the project if any, and how the funds will be spent if the project does not proceed.

8. Special Provisions for Donations Related to Shared Community Projects

The Municipality will enter into an agreement to clarify roles, responsibilities, outcomes, financial implications, resourcing, and any other important information respecting shared community projects.

For projects undertaken in partnership with community organizations, donations may be accepted with terms defining the responsibilities of each party. For community-led projects on municipal land, donations may be accepted to support the project's goals, but terms of use and responsibility must be clearly defined.

It is recognized that the Volunteer Firefighter Associations which operate in Almonte and Pakenham are separate entities from the Corporation of the Municipality of Mississippi Mills. While shared community interests do exist, fundraising and expenditures related to the associations are managed wholly by those associations and not managed, influenced, monitored, audited, or overseen by the Municipality.

9. Matching Contributions by Council/Municipal Budget

Council may match donations to significant projects (e.g., Riverwalk), with the matching contribution determined during budget deliberations and subject to available funds.

10. Donation Receipts and Tax Receipts

Receipts will be issued for qualifying donations. Donors are encouraged to seek independent tax advice on the benefits of their contributions.

The Municipality of Mississippi Mills is a qualified donee under the Income Tax Act, but is not a Registered Charity. The Municipality can issue official donation receipts for income tax purposes. Before issuing a receipt, the Municipality must ensure that the donation qualifies as a gift under the Income Tax Act and determine the eligible amount of the gift.

For a donation to qualify as a gift in Ontario, it must meet several criteria under the Income Tax Act:

1. **Voluntary:** The donation must be given freely without any obligation or expectation of return. If it's made due to a contractual obligation or court order, it doesn't qualify as a gift.
2. **Transfer of Property:** The donation must involve a transfer of property, such as money, securities, or real estate. Donations of services (like time or labor) do not qualify.
3. **No Advantage:** The donor must not receive any significant benefit or advantage in return for the donation. If the donor does receive something

in return, the value of that benefit must be deducted from the donation amount to determine the eligible gift amount. .

4. **No Directed Gifts:** The donor cannot direct the donation to a specific individual or non-qualified donee. However, they can specify that the donation be used for a particular program within the qualified donee's operations.
5. **Conditions:** If there are conditions attached to the gift, such as a requirement for the donee to raise matching funds, the gift is only considered valid once those conditions are met.

These requirements ensure that the donation is genuinely charitable and eligible for a tax receipt.

The Municipality cannot act as a flow-through organization for other non-registered charities or organizations. Donations intended for third-party groups will only be accepted if they directly support municipal projects or programs and align with the Municipality's charitable purposes.

Eligible Tax Receipts: The Municipality will issue tax receipts for donations that qualify under CRA guidelines. Contributions that do not qualify as donations (e.g., sponsorships with advertising or marketing benefits) are ineligible for charitable tax receipts.

Receipts for non-monetary donations may be issued at the fair market value of the gift, established by at least one documented third party assessment obtained by the Municipality. Receipts will not be given for donations of time such as for volunteering or supporting Municipal events.

Staff are responsible for issuing receipts in accordance with the Income Tax Act.

11. Online Crowdfunding and Donation Platforms

The Municipality may use online crowdfunding platforms for specific projects or initiatives, provided they meet municipal and CRA guidelines. Information on donation use, transparency, and fees will be shared with potential donors.

12. Administration and Review

This policy will be administered by the Finance Department, with support from relevant departments.

The policy will be reviewed every five years or as required to ensure alignment with municipal objectives, legislation, and best practices.