



Title:	Donation Policy
Policy No.	2025-001
Adoption:	February 20, 2025 by Council Resolution No. 2025-054
Subject:	Donation Policy File No: A09 DON

1. Introduction

The Township of Puslinch (Township) recognizes that individuals or organizations may wish to make Donations to support Township projects, programs or services. The Township welcomes Donations that support Township projects, programs or services for purposes that are consistent with the Township's values, principles, and objectives.

Uniform criteria and procedures guide the review and acceptance of such Donations, confirm that the Township has relevant and adequate resources to administer such Donations, and ensure that the Township appropriately acknowledges the generosity of the Donor.

2. Purpose

This policy outlines procedures, in compliance with the Income Tax Act and Canada Revenue Agency (CRA) guidelines, for:

- a) Accepting Donations;
- b) Issuing Official Donation Receipts for tax purposes;
- c) Managing the collection, recording, and allocation of Donations; and
- d) Recognizing contributions from the public.

3. Specific Objectives

- a.) To establish and guide relationships with Donors who share the Township's commitment to provide a high-quality civic environment;
- b.) To enrich our community by responsibly and efficiently managing Donations;

- c.) To generate revenue to fund new and existing facilities, projects, programs and activities approved by Council for the benefit of the Township and its residents; and
- d.) Collaborate with community organizations whose missions reflect the Township's values and commitment to shared principles and objectives.

4. Scope

The Township welcomes and appreciates informal contributions of time and service that do not require an Official Donation Receipt or formal recognition. This policy applies to all Donations provided to the Township that support projects, programs or services offered by the Township including:

- a) Monetary Donations;
- b) Gift-In-Kind Donations (such as Art, furniture, equipment, materials of historical interest, property, etc.), other than cash, which is an Eligible Donation;
- c) Sponsorship and Naming Rights agreements between the Township and community partners, businesses, not-for-profit organizations and individuals that contribute either financially or in-kind to the Township in return for recognition, public acknowledgement, or other promotional considerations; and
- d) Contributions to a Township Park through the Commemorative Bench and Tree Program as a tribute to an individual or organization.

5. Definitions

For the purpose of this policy, unless otherwise stated, the following definitions shall apply:

- a.) Advantage: This is generally the total value of any property, service, compensation, use, or any other benefit as partial consideration for, in gratitude for, or in any other way related to the gift.
- b.) Advertising: Refers to a commercial message directed at a specific audience, usually paid for by the advertiser and with no implied association between the advertiser and the organization offering the Advertising opportunity.
- c.) Appraisal: An independent individual knowledgeable about the principles, theories, and procedures of the applicable valuation discipline, and follow the Uniform Standards of Professional Appraisal Practice or the standards of the profession to estimate the monetary value of a Donation.

- d.) Art: Cultural objects and artistic items such as, but not limited to, prints, fine Art posters, sculpture, fine Art photography or paintings acquired by the Township through a Donation.
- e.) Beneficiary Department Head: The Director, or designate, of the Township department for which a Donation is designated or intended. The Chief Administrative Officer or designate shall act as the Beneficiary Department Head if no department is designated or intended.
- f.) Designated Donation: Donation that is designated at the Donor's request for a specific Township department, location, or purpose and must be used exclusively for the specified purpose of the Donor.
- g.) Donation: A monetary gift, bequest, financial contribution including cash, profit from the sale of goods for the purpose of fundraising, or in-kind contributions of tangible property, which has been given to the Township voluntarily and without any contractual obligation or compensation or non-monetary consideration (ie. Advertising, services, etc.).
- h.) Donor: A person or other legal entity that proposes to provide a Donation to the Township.
- i.) Eligible Donation: Donation which can be acknowledged with an Official Donation Receipt for income tax purposes, in accordance with CRA guidelines meeting the following criteria:
 - i. Be a transfer of property to the Township (e.g. money, Gift-In-Kind Donation); and
 - ii. Be voluntarily given without any legal obligation, contractual requirement, or conditions imposed on the use of the Donation.
- j.) Fair Market Value: This is usually the highest dollar value that a property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are acting independently of each other. The Fair Market Value does not include taxes paid on purchasing the item; taxes are costs incurred by the purchaser.
- k.) Fundraising Campaign: A program which is designed to raise funds to support a specific Township project, program or service as approved by Council and which is conducted by either Township staff only or by Township staff in partnership with an Advisory Committee of Council or an outside organization. A Fundraising Campaign may include the sale of goods, with the profit from the sale being designated as a Donation.
- l.) Gift-In-Kind Donation: A gift of tangible property (ie. Art, furniture, equipment, material of historical interest, etc.), other than cash, that is an Eligible Donation.

- m.) Naming Rights: Refers to a contractual agreement for a defined period of time where a third party provides goods, services, or financial contribution in return for access to the commercial/marketing potential associated with rights for the inclusion and public display of the third party's name as part of the name of a Township Asset or subcomponent of a Township Asset. Naming Rights are a Non-Qualifying Donation.
- n.) Net Amount of Donation: The Fair Market Value of the Donation less any Advantage received or to be received by the Donor as a result of the Donation.
- o.) Non-Qualifying Donation: A Donation for which an Official Donation Receipt cannot be issued in accordance with CRA guidelines including:
 - i. Gifts of service including any non-monetary assets without physical substance, such as services, time, skills, or effort;
 - ii. The payment of a basic fee for admission to an event or to a program;
 - iii. Sponsorships and Naming Rights;
 - iv. The purchase of goods or services and/or silent auction items for fundraising; and
 - v. Contributions involving Advertising, promotional benefits or business marketing products that provide an Advantage to the Donor.
- p.) Official Donation Receipt: A receipt issued by the Township as a Qualified Donee under the Income Tax Act, for an Eligible Donation made to the Township, which may be used by the Donor to claim a tax credit on their income tax return.
- q.) Qualified Donee: An organization that under the Income Tax Act may issue an Official Donation Receipt for a Donation that is received from a Donor.
- r.) Sponsor: Refers to the business, not-for-profit organization or individual that enters into an agreement to contribute financially or in-kind to the Township in exchange for the rights to a public association with a Township Asset.
- s.) Sponsorship: Refers to a marketing-oriented, contracted arrangement that involves the payment of a fee or payment in-kind by a company in return for the rights to a public association with an activity, item, person or property for mutual commercial benefit. Sponsorships can come in the form of financial assistance, non-cash goods or a contribution of skills or resources. Sponsorships are a Non-Qualifying Donation.
- t.) Township: The Corporation of the Township of Puslinch.

- u.) Township Asset: Refers to an item, object, thing (including a service, program, event or activity) or real estate property owned by the Township.
- v.) Undesignated Donation: A Donation provided to the Township without any restrictions in the way it may be expended and is available to use for such purposes as the Township determines will advance its interests and priorities.

6. Accepting Donations

- a.) All Donations will be evaluated by the Township prior to acceptance to determine whether the Donation is:
 - i. Consistent with the Township's mandate, priorities, programs, services and activities offered by the Township and deemed by the Township to be in the public interest. A Donor who wishes to make a Donation that supports special purposes for an organization independent of the Township should be directed to that organization;
 - ii. In accordance with applicable Township by-laws, policies and resolutions as well as compliance with the laws, conventions and treaties of the other levels of government;
 - iii. Given voluntarily, without any compensation, conditions, or non-monetary consideration such as Advertising, promotion or services. This provision does not apply to Sponsorships and Naming Rights;
 - iv. Mitigated from associated risks or potential liabilities, including environmental;
 - v. Given from a Donor that is not currently in litigation against the Township and does not represent a reputational risk to the Township through involvement in activities that are contrary to the values of the Township; and
 - vi. Used for official Township business, and not for political activities or other personal business.
 - vii. Received and managed transparently and ethically. Donations must not create a conflict of interest, real or perceived, for the Township, its staff, or Council. The Township reserves the right to decline any Donation that may compromise its integrity, impartiality, or public trust.
- b.) A Donation to an established Fundraising Campaign includes initiatives that have received prior Council approval (ie. Doors of Puslinch posters, Parks Revitalization Projects, Electronic Sign Replacement, etc.).

- c.) A Donation that is given to the Township intended as a flow through to a specified recipient who is not a Qualified Donee will not be accepted by the Township.
- d.) If the Township is unable to fulfill the Donor's request regarding a Designated Donation, the Donation shall be returned, unless the Donor redesignates the Donation.
- e.) An Undesignated Donation shall be used for general or priority needs as determined by the Township.
- f.) The Township has no obligation to accept any Donation proposed by a Donor. The Township reserves the right in its sole discretion to accept or decline any Donation. The following individuals have authority to accept Donations in compliance with this policy. For Donations with a:
 - i. Value of \$5,000 or less - Beneficiary Department Head and Director of Finance/Treasurer;
 - ii. Value between \$5,000 and \$25,000 - Chief Administrative Officer, Director of Finance/Treasurer and the Beneficiary Department Head;
 - iii. Value exceeding \$25,000 and/or any Donation requiring the signing of an agreement will be prepared for Council's consideration; and
 - iv. If a Donation is declined, the Chief Administrative Officer, Director of Finance/Treasurer and the Beneficiary Department Head shall advise the Donor of the reason in writing.
- g.) The Township does not provide legal, accounting, tax or other such advice to a Donor regarding a Donation. Each Donor is ultimately responsible for ensuring the Donor's proposed Donation meets its charitable, financial and estate planning goals. As such each Donor is encouraged to meet with a professional advisor before making any Donation to the Township.

7. Gift-In-Kind Donation

- a.) Section 6 of this policy pertaining to accepting Donations applies to a Gift-In-Kind Donation.
- b.) A Gift-In-Kind Donation does not become the property of the Township until accepted by the Township. Projects that result in the Township acquiring an asset require the following information to be provided to the Township by the Donor:
 - i. Copy of all invoices of the asset(s) or external Appraisal;

- ii. Itemized costs associated with transporting, installing, conservation treatment (if required), storage, annual maintenance costs, renewal, decommissioning, disposal, and replacement (where applicable);
 - iii. Copy of plans or drawings including location co-ordinates for the asset(s);
 - iv. Estimated lifecycle of the asset(s);
 - v. Special restrictions on the Gift-In-Kind Donation, and if so, if those restrictions are acceptable to the Township;
 - vi. Any expenditures or maintenance obligations for the Township associated with the Donation; and
 - vii. Potential liabilities associated with the Donation.
- c.) The Donor may be responsible for any or all the costs associated with the Gift-In-Kind Donation as outlined in this section of the Policy.
- d.) Gift-In-Kind Donations to the Township must be free and clear of all conditions, restrictions and shall acknowledge that the use and management of the asset shall be entirely at the discretion of the Township (i.e. disposed of for cash or cash equivalent). The Township must have the capacity in its sole discretion to meet the initial and ongoing costs and obligations associated with the Donation.
- e.) A written valuation of a Gift-In-Kind Donation shall be submitted with an Appraisal, satisfactory to the Director of Finance/Treasurer, the Chief Administrative Officer and the Beneficiary Department Head to substantiate Fair Market Value.
- i. If the item is valued at \$1,000 or less, the item may be appraised by a Township staff member qualified to make the Appraisal. If the item is valued at more than \$1,000 an external Appraisal is required, unless there is a ready market for the item from which the Fair Market Value can be readily ascertained; and
 - ii. At the Township's discretion, any Appraisal not sufficient in form and content may be refused, and one or more additional external Appraisals satisfactory to the Township may be required to be produced. In the case of two or more Appraisals, the lowest appraised value amount will be used for the issuance of the Official Donation Receipt.
- f.) If accepted, a Gift-In-Kind Donation will be held in the name of the Township which will require a transfer of title or ownership. An agreement authorized by Council shall be

required prior to acceptance of the Gift-In-Kind Donation with specific recommendations for conditions of acceptance including future use and disposition.

8. Sponsorships and Naming Rights

- a.) Sponsorship and Naming Right arrangements involve Advertising or recognition for business promotion. These are Non-Qualifying Donations according to the CRA making them ineligible for an Official Donation Receipt. These arrangements are treated as contractual agreements with mutual benefits rather than a philanthropic contribution.
- b.) Sponsorships and Naming Rights do not apply to the following:
 - i. Events hosted by Members of Council;
 - ii. Philanthropic contributions, gifts or Donations in which property is voluntarily transferred by a third party to the Township without expectation of return;
 - iii. Township Sponsorship of external projects where the Township provides funds to an organization or where the Township is one of the multiple partners involved in hosting an event;
 - iv. Sale of Advertising or signage space on Township-owned facilities and printed materials, which involves the purchase of Advertising space sold at marketplace rates; and
 - v. Sponsorship and Naming Rights that pre-date this Policy.
- c.) Section 6 of this policy pertaining to accepting Donations applies for Sponsorships and Naming Rights. Acceptance is also based on, but not limited, to the value of the product, services, and monetary value provided to the Township including the requirement to enhance the development, delivery, awareness, or continuance of one or more Township program, service, or property.
- d.) Sponsorships and Naming Rights will be directly solicited by the Corporate Services Department to ensure the Township-wide Sponsorship and Naming Rights program is aligned with corporate objectives.
- e.) The Township may consider, at its discretion, the following types of Sponsorships and Naming Rights:
 - i. Organizations that wish to Sponsor municipal programs such as skating or other drop-in programs;

- ii. Sponsorships and Naming Rights may be accepted by the Township for a new Township Asset or a planned upgrade/renovation/replacement of an existing Township Asset; and
 - iii. Other Sponsorships and Naming Rights that are consistent with the Township's mandate, priorities, programs, services and activities offered by the Township and deemed by the Township to be in the public interest.
- f.) General provisions of Sponsorships and Naming Rights include:
- i. Opportunities shall be presented by the Township in an open, fair and equitable manner;
 - ii. Proposals received from potential Sponsors shall outline the marketing benefits to be exchanged between both parties, the term of the Sponsorship, and demonstrate that the appropriate level of due diligence has been undertaken including market research and a valuation of the asset or program that is proposed to be sponsored or named;
 - iii. The Township reserves the right to refuse to enter into agreements for any Sponsorships or Naming Rights that originally may have been openly solicited by the Township;
 - iv. The Township will determine on a case by case basis if the Sponsorship or Naming Rights opportunity is a single source or competitive bid process;
 - v. Unsolicited Sponsorship or Naming Rights proposals received by the Township will be reviewed and evaluated in compliance with Township policies and procedures; and
 - vi. The Township reserves the right to reject any unsolicited Sponsorships or Naming Rights that have been offered to the Township.
- g.) An agreement shall be required prior to acceptance of the Sponsorship or Naming Rights including but not limited to the following:
- i. The Sponsor shall not use the Township's intellectual property or otherwise commit any act which the Township determines, in its sole and unfettered discretion, to be objectionable and/or a risk to the Township's reputation, integrity, image or rights;
 - ii. The Township does not endorse a Sponsor's products, services, or views;

- iii. Recognition shall not unduly detract from physical attributes, character, integrity, or safety of the property or reasonably interfere with its enjoyment or use;
- iv. Benefits expressly stated;
- v. The Township must remain in control over the planning, delivery, management of the subject of the Sponsorship or Naming Rights;
- vi. Shall respect the use of the Township's name, logo, and emblems;
- vii. The cost and impact of changing existing signage and rebuilding community recognition, and incorporate those costs into the agreement;
- viii. The aggregate of all monies and value of goods and/or services given over the term of the agreement including any renewals or extensions;
- ix. Non-transferrable without the written consent of the Township;
- x. Termination provisions including the Township's right to terminate, at its sole discretion, should conditions arise that make the agreement no longer in the best interests of the Township or otherwise not in compliance with Township policy;
- xi. The term shall not exceed 10 years; and
- xii. Past agreements should not be regarded as a commitment for future agreements.

9. Commemorative Bench and Tree Program

- a) The Commemorative Bench and Tree Program offers Donors the opportunity to gift one (or more) of these items to the Township in recognition of a loved one, whether living or deceased, on a commemorative plaque, while enhancing the community's parks and open space areas. The individual being recognized must be a person, not the name of a business.
- b) The Township will accept up to three (3) bench and/or tree Donations per year, whether as individual trees, benches, or a combination of both. Any requests exceeding this limit will be given priority for installation in the following year.
- c) The costs associated with the program will be outlined in the Township's annual User Fees and Charges By-law. The current costs are outlined below:
 - i. Bench - \$2,500 (includes bench, installation, maintenance and commemorative plaque for a ten-year period); and

- ii. Native Tree - \$1,350 (includes tree, installation, maintenance and commemorative plaque for the tree's lifetime).
- d) An Official Donation Receipt for the value of the item will be issued to the Donor.
- e) Commemorative items will only be installed between April 1st through October 31st, weather permitting. The location of benches and trees will be determined by Township staff, who will select predetermined Township sites in accordance with Township standards and specifications. Installation will be completed by Township staff and Donors will be notified once the item has been installed.
- f) Staff will maintain the commemorative item in the same manner as other Township Assets. If the location of the bench proves to cause concern due to vandalism or other issues, the Township may relocate the bench.
- g) The Township will be responsible for replacing the commemorative item or commemorative plaque (if required) within a two (2) year time frame including replacement for theft or vandalism. Any replacement required beyond two (2) years would be the responsibility of the Donor. Replacement for theft or vandalism will be paid by the Township one (1) time for the commemorative item or commemorative plaque.
 - i. Ten (10) years from the installation date, the Township holds the right to remove a bench or commemorative plaque if it becomes unsightly;
 - ii. Should the Donor wish to renew their bench or commemorative plaque after ten (10) years, a renewal fee may be charged;
 - iii. If the Donor does not wish to renew their bench or commemorative plaque or the Township is unable to contact the Donor, the item(s) may be removed at the Township's discretion; and
 - iv. It is the Donor's responsibility to contact the Township to maintain their most current contact information.

10. Accounting

- a.) Where Donations are accepted by the Township, the funds received will be recorded in the appropriate account by the Director of Finance/Treasurer or designate.
- b.) A Designated Donation shall be allocated to the specific Township department or project as part of the Township's annual financial reporting.

- c.) An Undesignated Donation shall be contributed to the corporate general revenue of the Township.
- d.) Donations may be spent only for their intended purpose and in accordance with the terms, conditions, restrictions or any agreement (if applicable) governing the use of the Donation.
- e.) Donations should be spent in the same fiscal year in which they were received. If the funds are not spent in the same fiscal year, the Donation may be placed in an assigned deferred revenue account to be used the following year. If the funds are to be retained and used over a longer term, the Donation will be placed in an assigned reserve account.
- f.) Upon receipt of a Donation, Finance staff shall issue evidence of payment received from the Donor, the amount of the Donation, specific purpose to which the Donation is to be directed and issue an Official Donation Receipt in accordance with CRA guidance.

11. Official Donation Receipt

- a.) The Township will issue an Official Donation Receipt in the name of the Donor for an Eligible Donation accepted by the Township and made payable to the Township within 7 business days from the date that the Donation clears the bank.
- b.) The Director of Finance/Treasurer or designate shall be responsible for the issuance of all Official Donation Receipts for Eligible Donations accepted under this policy having a value of \$20.00 or more. Official Donation Receipts will only be issued by the Township for Donations of \$20.00 or more.
- c.) An Advantage that can be calculated must be deducted from the Fair Market Value of the Donation before determining the Net Amount of Donation eligible for the Official Donation Receipt. A contribution with an Advantage that cannot be calculated such as Advertising or promotional benefits do not qualify for an Official Donation Receipt.
- d.) An Official Donation Receipt will not be issued for a Non-Qualifying Donation. When businesses Donate to a municipality, they must choose between receiving an Official Donation Receipt or recognition through Sponsorship, Naming Rights, Advertising in the form of a plaque, etc.—but not both, as per CRA guidelines. Businesses cannot "double dip" by claiming both an Official Donation Receipt resulting in a tax credit and an Advertising expense deduction for the same Donation.

12. Records

- a.) The Township's Finance Department will retain the following in accordance with the Township's record retention by-law:

- i. System generated records and supporting documentation for Official Donation Receipts issued;
- ii. Acquisitions of all types (i.e. ownership records, Appraisals, etc.); and
- iii. Other agreements entered as described in this Policy.

13. Acknowledgement

- a.) The Director of Finance/Treasurer or their designate is responsible for acknowledging Donations of \$20.00 or more and issuing a letter of appreciation on behalf of the Township. Letters of appreciation will only be issued by the Township for Donations of \$20.00 or more.
- b.) If the Donor wishes to remain anonymous, the Township will respect their privacy and ensure confidentiality in accordance with applicable policies and regulations.
- c.) To honor contributions to the Township through the Commemorative Bench and Tree Program, Donors will be acknowledged with a 6-inch by 3-inch commemorative plaque which will be flush mounted on the commemorative item. The commemorative plaque will recognize the commemoration and an inscription approved by the Township.
- d.) Donations related to a specific Township facility or ground valued at over \$20,000 will be acknowledged with an 8-inch by 8-inch identification plaque, provided and funded by the Township, and displayed in a designated area within a Township facility or ground. There may be multiple identification plaques associated with a specific Township facility or ground.
- e.) A Donor Wall featuring multiple plaques will be displayed in a designated Township facility, as determined by Township staff, in accordance with Township standards and specifications. The size of the plaque will correspond to the Donation amount, with a larger plaque for higher Donations. The following plaques will be provided and funded by the Township to acknowledge Donations ranging from:
 - i. \$3,000 and \$5,000 - bronze-tier plaque;
 - ii. \$5,001 and \$10,000 - silver-tier plaque;
 - iii. \$10,001 and \$15,000 - gold-tier plaque; and
 - iv. \$15,001 and 19,999 - platinum-tier plaque.
- f.) The Township reserves the right to determine the placement, design, and wording of the plaques outlined in this policy in accordance with Township policies and guidelines. The replacement of plaques will follow the same process outlined in the Commemorative Bench and Tree Program.