

Corporate Policy and Procedure



Policy No. 04-01-06
Page 1 of 6
Effective Date 2006 10 11
Supersedes

TAB: FINANCE AND ACCOUNTING
SECTION: FEES AND OTHER REVENUE
SUBJECT: FUND-RAISING CAMPAIGNS AND MONETARY
DONATIONS TO THE CITY OF MISSISSAUGA

POLICY STATEMENT The City of Mississauga accepts monetary donations on behalf of the citizens of Mississauga, and may initiate fund-raising campaigns to support City projects, programs or services. Official receipts for income tax purposes are issued for all donations of \$20 or more that qualify for such receipts.

PURPOSE The Corporation recognizes that individuals or organizations may wish to make donations to support City projects, programs or services. This policy sets out a process for establishing fund-raising campaigns and establishes methods for accepting monetary donations and for issuing receipts for income tax purposes.

SCOPE This policy applies to fund-raising campaigns and monetary donations which are intended to support projects, programs or services which are offered by the City.

Staff may initiate a fundraiser on behalf of an outside organization (such as a charity, hospital, United Way, etc.) Since these initiatives are not in support of City projects, programs or services, they are not subject to this policy. Arrangements may be made with the Manager of Financial Services, Finance Division, in advance of collecting funds, to deposit the funds to a City account to be held until they are forwarded to the organization. The City will not issue receipts for income tax purposes – if such receipts are required, arrangements for tracking donations and issuing receipts must be made between the staff responsible for the fundraiser and the organization receiving the donated funds.

This policy does not apply to non-monetary donations (such as art, furniture, equipment, materials of historical interest, property, etc.) For information on non-monetary donations, refer to

Corporate Policy and Procedure



Policy No. 04-01-06
Page 2 of 6
Effective Date 2006 10 11
Supersedes

Corporate Policy and Procedure – Donations of Art and Other Assets to the City of Mississauga.

For information on making a contribution to a City park as a tribute to an individual or organization, refer to Corporate Policy and Procedure – Commemorative Tree and Park Bench Program.

Sponsorship funding is not considered a donation. This policy does not apply to sponsorships.

Contributions of skills or time through volunteer service may be accepted as a donation, but do not qualify as donations for the purpose of income tax receipts.

Definition

“Donation” means a gift, which has been given voluntarily and without compensation or non-monetary consideration (eg. advertising, promotion, services, etc.)

“Fund-raising campaign” means a program which is designed to raise funds to support a particular City project, program or service and which is conducted either by City of Mississauga staff only, or by City of Mississauga staff in partnership with an outside organization. A fund-raising campaign may include the sale of goods, with the profit from the sale being designated as a donation. The routine sale of souvenir items is not considered a fund-raising campaign.

“Manager, Financial Services” means the Manager of Financial Services, Finance Division, Corporate Services Department.

“PMR” means either:

- the City of Mississauga staff person most responsible for the administration of a fund-raising campaign; or
- where a fund-raising campaign does not exist, the Director responsible for the project, program or service to which the donation is made, or his or her designate.

ACCEPTING DONATIONS

Donations will be accepted only as contributions to support projects, programs or services which are offered by the City of Mississauga.

Corporate Policy and Procedure



Policy No. 04-01-06
Page 3 of 6
Effective Date 2006 10 11
Supersedes

Any donation in excess of \$1,000 must be reviewed by the Commissioner responsible for the department to which the donation is offered. The Commissioner has the right to refuse any donation where he or she determines that it is not in the City's best interests to accept the donation. The Mayor and members of Council are to be copied on all correspondence accepting or declining donations in excess of \$1,000.

Where either the donor or the City wishes to place restrictions or conditions on the use of the donated funds, Legal Services must be consulted to ensure that appropriate agreements are prepared prior to accepting the donation.

Acknowledgement

The Director responsible for the fund-raising campaign, or for the operating area receiving the donation, will determine an appropriate means of acknowledging donations. The PMR will ensure that donations are acknowledged accordingly.

Receipts for Income Tax Purposes

An official receipt for income tax purposes can be issued for all donations of \$20 or more, provided that the donation is eligible according to Revenue Canada guidelines. The PMR may elect to issue receipts for income tax purposes only upon request, or for all donations of \$20 or more. With respect to funds raised through the sale of items, only the amount of the sale excluding the value of the item sold can be considered a donation. A receipt for income tax purposes will be issued only if the donation portion of the sale is eligible. The Manager, Financial Services must be contacted prior to initiating a fund-raising campaign, to ensure eligibility for income tax receipts.

Fund-Raising Campaigns

Fund-raising campaigns may be established to support specific City projects, programs or services. These fund-raising campaigns require the pre-approval of the City's Leadership Team. A PMR for the campaign must be designated. The Manager, Financial Services must be consulted to ensure eligibility for income tax receipts, prior to approval. Once approved by the Leadership Team, the Finance Division must be advised of the fund-raising campaign, and of the name of the PMR. The Manager, Financial Services (or designate) will maintain a list of all approved fund-raising campaigns and the names of all PMR's.

Corporate Policy and Procedure



Policy No. 04-01-06
Page 4 of 6
Effective Date 2006 10 11
Supersedes

PROCEDURES

Donations may be made to support either an established City fund-raising campaign, or any project, program or service offered by the City.

Donations can be made by mail or in person at City facilities. When approved by the Leadership Team, fund-raising campaigns may also be posted on the City's web site. Donations to these campaigns may also be made on-line, either through the City's web site or through another authorized web site.

Donations Made at City Facilities

Where donations are received at City facilities, the following procedures apply:

1. Where a donation is made by cheque, the cheque should be made payable to The City of Mississauga, rather than to the fund-raising campaign or to a City department or division.
2. The donation must be received in accordance with Corporate Cash Handling procedures and/or departmental cash handling procedures. The person receiving the donation must obtain all pertinent information (i.e. name and address of donor; amount of donation; any restrictions on spending; any restrictions on publicizing the name of the donor). The PMR must be advised of the donation.
3. The PMR must maintain a record of the donation, and all particulars. If the donation is for \$20 or more, and it qualifies for an income tax receipt, the PMR must request an official income tax receipt from the Manager, Financial Services. The request for an income tax receipt must include a copy of the deposit slip, to confirm that the donation was received; the name and address of the donor; and the name of the fund-raising campaign or the City project, program or service to which the donation applies.
4. The request for an official income tax receipt must be authorized by the PMR. The PMR's signature indicates that no consideration has been or will be given with respect to the donation.

Corporate Policy and Procedure



Policy No. 04-01-06
Page 5 of 6
Effective Date 2006 10 11
Supersedes

5. Financial Services staff will return an official income tax receipt to the PMR, for delivery to the donor and appropriate acknowledgement. Receipts for donations made by cheque will not be issued until at least 10 days after the donation has been deposited to the City's accounts, to allow time for the cheque to clear the bank.

Donations Made On-Line

Where donations are made on-line, the following procedures apply:

1. An e-mail order confirmation receipt will be sent to the donor automatically.
2. A copy of the donation order information will be sent to the PMR. The PMR must maintain a record of the donation, including the name and address of the donor; the amount of the donation; any restrictions on spending; and any restrictions on publicizing the name of the donor.
3. If the donation is for \$20 or more, and if the donation qualifies for an official income tax receipt, a receipt for income tax purposes will be issued either electronically or manually. If a manual receipt is required, the Financial Services staff will be advised of the donation and will prepare and forward an official income tax receipt to the PMR for delivery to the donor and appropriate acknowledgement.
4. The PMR is responsible for ensuring that no consideration is given with respect to the donation.

ACCOUNTING

Donated funds may be spent only for their intended purpose and, if there are restrictions on the donation, in keeping with those restrictions.

The Manager, Financial Services will establish appropriate departmental accounts for donations.

Donated funds 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

Corporate Policy and Procedure



Policy No. 04-01-06

Page 6 of 6

Effective Date 2006 10 11

Supersedes

retained and used over a longer term, the donation will be placed in an assigned reserve fund account. The reserve fund account will be established and funds will be transferred in accordance with the Reserve and Reserve Fund By-law.

Standard procedures for monitoring accounts apply. Refer to Corporate Policy and Procedure – Financial Controls and Budget Monitoring.

REFERENCE: GC-0561-2006 (1) – 2006 10 11

CONTACT: For more information on making a donation to the City of Mississauga to support a project, program or service, contact the division responsible for the project, program or service.

For more information on receipts for income tax purposes, contact the Finance Division, Corporate Services Department.