

Donation Policy (Communications- 2025-01)

Policy Type: Finance / Communications Policy

Subsection:

Policy Title: Donation Policy

Policy Number: Communications – 2025-01

Policy Approved By: Northumberland County Council

Effective Date: March 19, 2025

Reviewed:

Revised:

Applicable To: All donors; all employees and all members of County Council who accept donations on behalf of the County; all situations where a donation is accepted on behalf of the County.

If you require this information in an alternate format, please contact the Accessibility Coordinator at 1-800-354-7050 ext. 2327.

Donation Policy Statement

This policy establishes guidelines for evaluating and accepting donations on behalf of the Corporation of the County of Northumberland (the ‘County’) in accordance with federal and provincial law, and County policies including but not limited to the Confidentiality Policy, Conflict of Interest Policy, Employee Code of Conduct, Northumberland County Archives and Museum Program Policy, NCAM Sponsorship Policy, Official Plan, and the Procurement Policy By-Law.

Definitions

Applicant: Any individual, representative, company, or entity that has applied under the *Planning Act*. This includes an applicant’s representative, any party engaged in pre-consultation on a planning application, or any party involved in an appeal of a planning application in which the County is also a party. Additionally, it includes any person or company that, in the reasonable determination of the County, is not at arm’s length from an applicant.

Appraisal: The determination of the fair market value of the property by an individual who is competent and qualified to evaluate the particular property being transferred.

Arm’s Length: A transaction or relationship between parties who are independent and not influenced by each other, ensuring fairness and impartiality in their dealings.

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Blackout Period: A specific timeframe within planning approval and procurement processes where discussions related to donations are prohibited, and donations cannot be offered, solicited, or accepted.

The County: For the purposes of this policy, the County means the Corporation of the County of Northumberland including Council where it exercises authority on behalf of the Corporation, and any of its boards and agencies, but not including any Municipal Service Corporations of the County or for which the County is a shareholder, or the geographic County of Northumberland, as the context dictates.

Council: The governing body of the municipality formed and operating under the authority of the Municipal Act, 2001, S.O. 2001, Chapter 25. Northumberland County Council is comprised of the elected mayors of each of the seven towns, townships, and municipalities within its boundaries. The Warden is the head of County Council and is elected each year from amongst Council's membership. References to Council in this policy include any person who is exercising authority delegated to them by Council, as the context may require.

Canada Revenue Agency (CRA): The Federal Agency that administers tax laws for the Government of Canada.

Donation: A voluntary transfer of property (cash or gift-in-kind) from a donor to the County toward an event, project, program, or corporate asset as a philanthropic act. Donations do not constitute a business relationship since no reciprocal consideration is sought.

Tax Receipt: An official document issued by the County to a donor, acknowledging and providing evidence of a donation.

Donor: An organization or individual who makes a donation to the County.

Fair Market Value: The highest price, expressed in a dollar amount, that a property would bring after reasonable exposure to a competitive, open and unrestricted market, under all conditions requisite to a fair sale, between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other.

Fundraising Campaign: A coordinated effort, with specific goals and timelines, to raise funds or awareness for a cause, organization, or project through various promotional and outreach activities.

Gift-in-Kind: A non-monetary contribution of property or non-remunerated services given to the County voluntarily toward an event, project, program, or corporate asset as a philanthropic act.

Fee Simple: A legal term that means you fully own a property and have the most complete ownership rights possible under the law. This includes the right to use, sell, lease, or pass the property on to heirs. Unlike some other forms of ownership, there are no significant restrictions or time limits on your ownership, except for general laws (like zoning regulations). In simple terms: you and your heirs own it outright, forever, unless you choose to sell it or give it away.

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Municipal Freedom of Information and Protection of Privacy Act: A legislative framework in Ontario that governs access to records held by certain public institutions, including municipalities, and ensures the protection of personal privacy. This definition refers to the legislation as it may be amended from time to time, or any successor legislation as well as any regulations made thereunder.

Real Property: Land or any permanently affixed structures, fixtures or other improvements that can be legally transferred as a donation.

Sponsorship: A mutually beneficial business arrangement or partnership between the County and an external company, organization or enterprise wherein the external party contributes funds, goods, or services to a municipal project, initiative or service in return for recognition, acknowledgement or other promotional consideration for a specified period of time.

Sunset Provisions: Clauses identified at the beginning of major projects and fundraising initiatives that establish a predetermined end date or condition(s) under which the project or initiative will cease if funding targets are not met.

Treasurer: The person appointed by the County as the Treasurer in accordance with section 286 (1) of the Municipal Act, 2001.

Objective(s)

- Ensure donations occur at arm's length from any County decision-making process.
- Provide criteria and process for the acceptance of donations including donor recognition.
- Delegate authority to Directors to accept and spend donations within the policy parameters.

Scope

This policy includes donations made to the County.

It also covers donations directed to other organizations or community agencies.

This policy does not cover the donation of archival materials and artefacts for research, preservation, display, education, or interpretation. Consult the NCAM Program Policy for applicable guidelines.

This policy does not apply to Municipal Service Corporations; however, it is the expectation of Council in its capacity as shareholder that Municipal Service Corporations of the County should consider and adopt their own donation policies in accordance with their own governance structures.

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Procedures

1.0 Donations in Relation to County Decision Making Processes:

General:

- 1.1. Donations may only be requested from an applicant seeking an approval, permit, grant or license from the County if such requests are permitted or required by that decision making process.
- 1.2. Any voluntary donations from such applicants (or their representative) must be handled at arm's length from the decision-making process. Specifically:
 - 1.2.1. applicants seeking an approval, permit, or licence from the County shall not concurrently offer or make voluntary donations to the County.
 - 1.2.2. voluntary donations will not be solicited nor accepted from applicants with a concurrent application for an approval, permit, or license.
 - 1.2.3. Without limiting anything else in this policy, no member of Council, County staff, or any person acting on behalf of the County should discuss, solicit, or accept a donation or potential donation where they have reason to believe it is the intention of any person offering or making such a donation to influence any decision, approval, application, grant, procurement process, legislative or quasi-judicial act or other exercise or authority of the County or its Council.

Planning Approvals:

- 1.3 Donations that fall outside the scope of a planning approval (meaning that they are not specifically required or authorized under the Planning Act, or other legislation) may not be solicited nor accepted from an Applicant.
- 1.4 There is a blackout period in planning approval processes during which discussions about donations that fall outside the scope of such a planning approval are not permitted and donations may not be offered, solicited, discussed, nor accepted. The blackout period commences the earlier of when such an application is made or when Councilors or staff receive information (formally or informally) that an individual or organization intends to submit an application for planning approval and ends:
 - 1.4.1 for official plan amendments is the date of expiry of the appeal period after Council makes its decision on the by-law(s) and there is no appeal; or, if appealed, is the date that all matters under appeal are finally determined by the Ontario Land Tribunal or any Court with jurisdiction, and any applicable appeal or review periods have expired and any residual authority returned to the County has been fully exercised;
 - 1.4.2 for plans of subdivision and condominium is the date of expiry of the appeal period after the County Council makes its decision on Draft Plan approval and

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- there is no appeal; or, if appealed, is the date that all matters under appeal are finally determined by the Ontario Land Tribunal or any Court with jurisdiction, and any applicable appeal or review periods have expired and any residual authority returned to the County has been fully exercised. Where draft plan approval is granted, County staff involved in the active negotiation of related development agreements, fulfilment of draft plan conditions, or other matters related to the final approval of plans, shall not take part in any solicitation, discussion or acceptance of donations from an Applicant, and shall not discuss donations with any other person, including County staff;
- 1.4.3 for part lot control exemption by-laws is the date Council adopts or refuses to adopt the by-law.
- 1.5 The County will not give any favorable or unfavorable consideration to a planning application on the basis that the applicant or any representative thereof has made any donation(s), or that they have declined solicitations for any donation(s).
- 1.6 Where the County is not an approval authority for a planning application but has a role in the approval process such as providing comments as a public agency, recommending conditions of approval, or waiving such conditions, County staff involved in providing those services will not solicit, discuss, nor accept such donations from Applicants to local approval authorities, and shall take all reasonable steps to avoid discussing any donation made by such an Applicant with any other person, including other County staff.

Procurement Decisions:

- 1.7 Donations may not be solicited or accepted from a bidder, proponent, or applicant to procurement, or their representative, concurrent to the procurement solicitation and award process.
- 1.8 There is a blackout period in procurement decision making processes during which discussions about voluntary donations are not permitted, and donations cannot be offered, solicited, discussed, nor accepted. The blackout period begins when the request or call for a bid, quote, proposal, etc. is formally issued, and ends the later of when the procurement is awarded and the conclusion of any bid protest procedure requested by an unsuccessful bidder.
- 1.9 The County shall not accept donations that are conditional upon the endorsement of any product, service, or supplier.
- 1.10 The County shall not solicit or accept donations where there is reason to believe the donation is intended to influence any decision with respect to a non-standard procurement process, where authorized by County policies, or any decision related to an unsolicited bid.

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- 1.11 The County shall not discuss, solicit, or accept a donation from a supplier that is barred from future contracts in accordance with the County's supplier barring protocol, any representative thereof, nor any person whom, in the reasonable determination of the Treasurer, is not at arm's length from such a supplier.
- 1.12 Current and prospective suppliers to the County that decline solicitations for donations shall not be penalized in procurement decisions of the County. Current and prospective suppliers shall not receive any special consideration on the basis that they have made or will make any donation(s).

Other:

- 1.13 No advantage is to accrue to the donor nor to any person not dealing at arm's length to the donor as a result of the donation.
- 1.14 Donations cannot confer a personal benefit to any member of Council, County employee or County official.
- 1.15 Donations that violate County By-laws or County policies, or the laws, orders, conventions or treaties of the other orders of government will not be accepted by the County.
- 1.16 The County will not accept any donations which it has reason to believe may consist, in whole or in part, of the proceeds of crime.
- 1.17 Donors are required to advise the County if a donation to the County is concurrent with a planning approval, procurement process or other similar process in which the donor, or the donor's organization or company, or any person who is not at arm's length from the donor is involved or has a pecuniary interest.

2. Donations of Real Property

- 2.1 Donations of real property to the County may only be accepted with the prior approval of Council, including approval of the budget for any future or ongoing obligations arising from the donation.
- 2.2 Where appropriate, approval of a donation of real property is to include the use and disposition of the real property including the net proceeds arising from a property transaction.
- 2.3 Donations of real property to the County, shall generally be transferred to the County in fee simple free of any conditions, trust or right of reversion.

3. Accepting Donations

- 3.1 The County may elect to accept or decline any donation. If the gift is not accepted, the donor will be advised of the reason.

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Eligible Uses:

- 3.2 Eligible donations are those that support approved programs and services, durable assets (for example, equipment, furniture, technology, or infrastructure); capital facilities or projects; asset improvement, restoration or capital maintenance; or cash for such purposes.
- 3.3 Donations support the receiving Department's programs, services, and activities and must be in the public interest of the County.
- 3.4 Donations are only to be accepted if the receiving Department has the capacity to meet any initial and ongoing costs and obligations associated with the gift.
- 3.5 Donors who wish to make donations that support special purposes to be provided by an organization independent of the County should be directed, where possible, to the intended organization.

Ineligible Donors:

- 3.6 The County may decline or refund donations from any donor who in the opinion of the Council, or a Director, represents a reputational risk to the County through involvement in activities that are contrary to the values of the County.
- 3.7 The County may choose not to accept donations from individuals or organizations currently in litigation against the County.

Authority to Accept and Spend:

- 3.8 Subject to Section 3.9, donations of cash designated for specific purposes will only be accepted by the County under certain conditions:
 - 3.8.1 Acceptance of donations with a total fair market value of up to \$50,000 may be approved by the Director of the recipient department, which is the department of the County most closely associated with the purposes for the donation, or the specific County program or project most closely associated with the donation or where the recipient department cannot be determined, the CAO.
 - 3.8.2 Donations with a total fair market value over \$50,000, or others as determined by Directors, shall be specifically approved by Council.
 - 3.8.3 Donations of cash over \$50,000, or those with specific stipulations attached to them, will only be accepted by cheque or Electronic Funds Transfer and not through the online donation portal.
 - 3.8.4 In addition, as part of its due diligence, prior to proceeding with the donation the Director of the recipient Department is responsible for ensuring consultations with any other parties who may have an interest

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related to the donation, where it is considered reasonably necessary, and conducting a risk/benefit assessment.

3.8.5 Fundraising campaigns (whether conducted by staff or third parties) shall be approved by the most appropriate lead Department, in collaboration with the Communications Department.

3.9 Despite section 3.8, a Director has delegated authority to accept and spend donations where:

3.9.1 the donation has a current total fair market value that does not exceed \$50,000 and cumulative donations from the same donor do not exceed \$50,000 in a 12-month period;

3.9.2 the donation is not in the form of real property;

3.9.3 the donation does not involve a sponsorship; and

3.9.4 the donation is in compliance with this policy.

3.10 Where donations are being accumulated for a major project or fundraising campaign, the funds will be held in an appropriate account or reserve until sufficient funds for the proposed project have been obtained. Funds from donations may not be released and the proposed project may not commence until sufficient funds to complete the project have been secured, and spending authority has been obtained. Where appropriate, sunset provisions should be identified at the outset for major projects and fundraising initiatives to provide guidance in the event funding targets are not attained.

3.11 Where, under this policy, the County may make any decision with respect to a donation, the authority to make that decision shall be with the Director of the receiving department, the CAO, or the Council as determined in accordance with sections 3.8, 3.9 and 3.10. Where any person is permitted or required to make a decision under this policy, they may consult with such other persons as they consider appropriate. Where a person who is required or permitted to make a decision under this policy is not reasonably able to make that decision without creating the perception of a conflict of interest, such as due to a relationship with a potential donor or a related pecuniary interest, such decision shall be referred to Council.

4. Managing and Reporting Donations

4.1 Offers or proposals for donations are to be referred to the appropriate Department.

4.2 In an effort to cultivate an ongoing relationship with donors, the County is to:

4.2.1 treat individual donors' names and amounts given, and any other private or personal information, with respect and, except where the donor

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authorizes release of such information, with confidentiality to the extent provided by the law;

4.2.2 reasonably limit the frequency of solicitations; and

4.2.3 respond promptly to a donor's question or complaint.

Acknowledgements, Forms, and Receipts:

4.3 The County is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for donations. Accordingly, for donations valued at \$500 or more, a formal letter of acknowledgement and gratitude will be sent to the donor by the most appropriate County staff lead in coordination with the Communications Department. Any additional forms of recognition requested by the donor will be addressed on a case-by-case basis.

4.4 The Finance Department will issue income tax receipts for donations of \$25 or more, in accordance with CRA regulations.

Documentation and Communication with Donors:

4.5 All donations must be documented by the Finance Department and reported through the variance reporting.

4.5.1 Cash and in-kind donations with a total fair market value of \$50,000 or more must be documented through a legal agreement to the satisfaction of the Municipal Solicitor.

4.5.2 Communication to donors should:

4.5.2.1 Convey the terms and requirements of the donation, including:

4.5.2.1.1 donor contact information,

4.5.2.1.2 the purpose of the donation,

4.5.2.1.3 the value of the donation,

4.5.2.1.4 information about the tax receipt, and

4.5.2.1.5 how unused funds will be dealt with.

4.5.2.2 A statement acknowledging that the donation may be subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*.

4.5.2.3 For in-kind donations, include where necessary, in the opinion of the Municipal Solicitor, a waiver of liability and an indemnity clause, and include the following statement:

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“All donations and/or in-kind donations, made to Northumberland County be given unconditionally and voluntarily without any expectation of benefit. A donation cannot be used to influence the outcome of an outstanding approval, permit or license application, award of a procurement call or any other decision or exercise of authority by the County or its Council. You must advise the County in writing if you, your organization or company is currently involved in a planning approval or procurement process with the County or have a pecuniary interest in any such matter or similar matter and, where appropriate, may be required to acknowledge and agree that any donation is made in good faith, without expectation of benefit and free from any intention to influence the County in any way whatsoever”.

- 4.6 When a gift is received from a donor, it is the responsibility of the Finance Department to determine whether or not the gift qualifies for an income tax receipt.

Appraisals:

- 4.7 The Canada Revenue Agency requires satisfactory evidence of fair market value of an eligible gift-in-kind. The responsibility for providing this information rests with the donor, subject to the County's review. The responsibility for securing this information for the purposes of issuing a tax receipt rests with the Department that benefits from the gift.
- 4.8 In situations where a gift is not of direct benefit to a particular Department, the Finance Department will be responsible for securing fair market value evidence from the donor.
- 4.9 With respect to in-kind gifts other than non-remunerated services, the recipient Department may retain the donation or, unless otherwise stipulated in an agreement with the donor sell the asset and apply the proceeds as necessary.

Accounts:

- 4.10 Donations designated for specific purposes or for the general purpose of a specific program, including donations of real property and the net proceeds of any property transaction, where donations are made for a specific purpose, the County will make all commercially reasonable efforts to use the donation for the purpose specified by the donor, or for another other closely related purpose.
- 4.11 For purposes of financial control and accountability, donations are to be credited to appropriate accounts of the County.

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- 4.12 Donations may not be managed informally or held in personal or external accounts or trust funds. This would not apply to independent community fundraising campaigns until such time that campaign contributions are donated to the County.
- 4.13 Where projects or assets of the County are funded in whole or in part by donations, the donated funds for such projects or assets must come directly from an account of the County.

Reporting:

- 4.14 The Treasurer will report annually to Council on the total amount of all donations received within the past fiscal year.
- 4.15 If the annual donations received are less than \$50,000, then this report will be included as part of the Annual Financial Results Presentation to Council.
- 4.16 If the annual donations received are \$50,000 or more, then the Treasurer shall prepare a separate Donation Report that will be presented to County Council following the completion of the audited financial statements. The Donation Report will disclose:
 - 4.16.1 the total amount of donations received across all departments;
 - 4.16.2 a detailed breakdown of the total donations received by each department;
and
 - 4.16.3 an analysis of the average donation amount received, calculated over all donations made during the reporting period.

Review

This policy will be reviewed, at a minimum, every 3 years.

Attachments

N/A

Date of new or revised policy:

N/A