

## **Purpose**

The purpose of this policy is to establish a formal process for accepting, documenting, and managing donations made to the Town of Mahone Bay. It ensures compliance with the Canada Revenue Agency (CRA) regulations and provides clear guidance to individuals, community groups, and businesses who wish to make donations to the Town.

## **Application**

1. This policy applies to all donations, both monetary and in-kind, made to the Town, including those made in support of specific programs, projects, or funds, including, but not limited to:
  - a. Athletic & Cultural Trust Fund
  - b. Park Cemetery Fund
  - c. Bayview Cemetery Fund
  - d. Community Asset Donation Program
  - e. Infrastructure Project Fundraising Efforts
2. This policy does not apply to:
  - a. Sponsorships and Purchase of Naming Rights of Town Facilities and Spaces (see Corporate Sponsorship and Naming Rights Policy)
  - b. Government grants
  - c. Commercial transactions or service agreements
  - d. Donations of services

## **Definitions**

3. For the purposes of this policy, the following definitions will apply:
  - a. CAO – Chief Administrative Officer
  - b. Community Asset – Public amenities or tangible assets (benches, trees, artwork, playground equipment, etc) that may be supported or dedicated through approved donation programs.
  - c. Donation – a voluntary, philanthropic gift of cash, property, or in-kind donation for which no benefit or advantage is received by the donor. Donations are eligible for official donation receipts under CRA regulations
  - d. Donation in-kind – a non-cash gift of property such as artwork, land, securities, or equipment. Donations of services are not eligible.
  - e. Fair Market Value (FMV) – the price a property would receive in the open market, used to determine the value of in-kind donations.

- f. Sponsorship – a business arrangement where an outside party (for-profit or not) gives money or services to the Town in exchange for some commercial benefits. These benefits could include publicity, promotion, or merchandising opportunities.
- g. Treasurer – Manager of Finance or designate.

## **Terms**

### *Principles and Procedure*

4. Potential donors must contact Town staff to determine whether a donation will be accepted and the conditions of the acceptance.
5. Donations must align with the Town's strategic goals and values.
6. Donations must not compromise the Town's integrity, independence, or public trust
7. The Town reserves the right to decline donations. If a donation is declined, the CAO will advise the potential donor in writing with associated reasons.

### *Types of Donations*

8. Donations may be offered in cash, real or tangible property offer in-kind. Donations may be made to the Town in general or the donor may specify their donation to a particular Town fund, project, location, fundraising effort, donation program, or purpose or for contribution to a third-party on behalf of the donor where applicable.
9. Cash donations will be recorded in the appropriate account be the Treasurer. Donations may only be disbursed for their intended purpose and in accordance with any associated terms and agreements. If deemed necessary, the Town may require a documented donation agreement (Appendix A).
10. Donations In-Kind require a Donation Agreement.

### *Non-Qualifying Donations*

11. Non-qualifying donations include:
  - a. Intangibles – services, time, skills, and effort
  - b. Donations intended as a flow through to a specified recipient who does not have charitable organization status
  - c. Donation of business marketing products – supplies and merchandise
  - d. Sponsorships
  - e. Transfers of cash, property, or assets resulting from a condition (court order) or a result of a Town's approval process.
  - f. A donation in-kind with an indeterminable fair market value.

### *Donation Acceptance and Acknowledgement*

12. The Town shall review every potential donation to determine if the donation provides a benefit. This review will include, but is not limited to, the following criteria:
  - a. Consideration of related expenditure required to accept the donation

- b. The capacity of the Town to meet the initial and ongoing costs and obligations associated with the donation
  - c. The potential obligations of the Town to maintain, match, or supplement the potential donation.
  - d. The Town may consult their solicitor as part of this review
13. The CAO or designated staff may accept eligible donations under \$25,000 and will notify Council of donations over \$5,000.
14. Donations exceeding \$25,000 or involving land or complex legal terms require Council approval by motion.
15. Other donations/gifts (e.g. holiday gift baskets) to any employee, department, or the Town shall be made available to benefit all employees.
16. Donors may receive public acknowledgement, but may not direct how donations are used, unless part of a pre-approved initiative, for example a Community Asset Donation Program

### *Tax Receipting and Recordkeeping*

17. The Town will issue an official income tax receipt for donations that qualify as charitable gifts in accordance with the *Income Tax Act*, regulations and CRA guidelines including:
- a. Meeting the definition of donation as specified in this policy
  - b. Be voluntary – freely given and not as a result of a contractual or legal obligation
  - c. Have been accepted by the Town in accordance with this policy.
18. The Town will issue official tax receipts for all donations having a value of \$20.00 or more at the request of the donor.
19. If an official tax receipt is requested for a donation in-kind, written valuations of the donation shall be supported by an appraisal by an independent, qualified appraiser or documentation satisfactory to the CAO to substantiate fair market value.
20. Receipts shall be made in the name of the donor only
21. Only the eligible amount of the donation may be recorded on the receipt. If the donor receives and benefit or advantage in consideration of their donation, the fair market value of the benefit of advantage will be deducted from the receipted amount.
22. All donations and receipts will be recorded in the Town's records management system by the Treasure or designate.

### *Installations*

23. Town staff will provide potential donors with options and will work with potential donors to identify appropriate locations and installations of tangible asset donations. If circumstances arise (potential for damage, weathering, vandalism, etc.) the Town may relocate the asset in consultation with the donor.
24. Any installation of donated tangible assets will be completed to Town standards and specifications during times when weather conditions permit.
25. Donors will be notified once a donated tangible asset is installed.

*Donation Programs and Dedications*

- 26. The Town may establish Community Asset Donation Programs through which donors can support specific community assets. These programs shall:
  - a. Include a fixed-term recognition period
  - b. Provide standard signage or markers approved by the Town
  - c. Be maintained as long as feasible, with no obligation for permanent commemoration.
- 27. Donors to Community Asset Donation Programs are required to submit a Donation Request (Appendix B)

*Reporting and Transparency*

- 28. An annual report summarizing donations received, names of donors, their purpose, and use shall be publicly presented to Council and made available on the Town’s website and relevant social media platforms.
- 29. A letter of appreciation shall be forwarded to the donor following acceptance and receipt of donations and any/all appropriate documentation on donations \$1,000 and over.

**Repeal**

On the effective date of this policy, *Town of Mahone Bay Donations Policy*, dated June 28, 2019 is hereby repealed.

Clerk’s Annotation for Official Policy Book	
Date of notice to Council Members of Intent to Consider	
[minimum 7 days notice]	September 22, 2025
Date of Passage of Policy	October 14, 2025
_____	_____
Town Clerk	Date