

TORONTO STAFF REPORT

May 5, 2005

To: Economic Development and Parks Committee

From: Brenda Librecz, General Manager of Parks, Forestry and Recreation

Subject: Charitable Donations for Parks, Forestry and Recreation Capital projects.
Citywide

Purpose:

To outline a policy related to the receipt of charitable donations for Parks, Forestry and Recreation capital projects.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

The Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the policy for receiving charitable donations (Attachment No. 1) related to Parks, Forestry and Recreation Division capital projects be adopted;
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of March 10th, 2005, the Economic Development and Parks Committee (EDPC) requested that the Commissioner of Economic Development, Culture and Tourism report on a policy for charitable donations and how they can apply to community, recreation or parks capital projects. Other previous reports adopted by Council generally addressed this issue (*Income Tax Receipts for Cash Donations and Gifts-In-Kind* adopted by Council on Dec.14 – 16. 1999; Policy

& Finance, Nov. 23, 1999), but did not specifically refer to Parks, Forestry and Recreation Capital Projects.

Community groups and individuals frequently approach the City of Toronto wishing to donate funds towards capital projects being planned or in progress by the Parks, Forestry and Recreation Division. Staff receive inquiries from community groups and organizations wishing to fundraise for specific community, recreation or parks capital projects that are not included in the approved capital budget.

Comments:

The Parks, Forestry and Recreation Division (the Division) welcomes and encourages donations and fundraising activities undertaken to assist in the provision of Parks, Forestry and Recreation and capital projects. Also, requests are made of Council to establish project specific reserve funds for long term projects in an effort to create a mechanism to receive donations and enable the city to issue charitable tax receipts to the respective donors. The creation of specific reserve funds is not required where the projects are included in the approved capital budget. Such donations of ear-marked funds can assist in expediting approved projects that are not fully funded by internal City sources (e.g. reserve funds, debt). However, proposed donations for projects not included in the approved capital budget continues to require case by case consideration prior to acceptance by the City. The attached policy (Attachment No.1) clarifies the process for staff, the public and elected officials and is within the established framework of the Corporate Donations Policy. It will also assist community fundraisers in their efforts.

Staff are investigating a broader range of fundraising alternatives to offset our capital budget requirements. Large institutions such as universities and museums actively pursue Planned Giving initiatives such as bequests of money and other assets. The specific situation of municipalities such as the City of Toronto require different considerations concerning other such fundraising vehicles. Parks, Forestry and Recreation staff will investigate an approach to Planned Giving Initiatives over the course of this year. A corporate study team, led by the City Manager's Office is spearheading this work and will be reporting to the Policy and Finance Committee later this year.

Conclusions:

Adoption of the policy detailed in Attachment No. 1 will provide clarification on when, and how, donations can be made and accepted by the City and provide a consistent process for receiving and utilizing these donations for Parks, Forestry and Recreation capital projects. Additionally, staff are investigating a broader range of fundraising activities that could assist in financing opportunities.

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Brenda Librecz
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Parks, Forestry and Recreation

List of Attachments:

Attachment No. 1 – Donations received for Parks, Forestry and Recreation Capital Projects.

Donations received for Parks, Forestry and Recreation Capital Projects.

Policy Statement: The Parks, Forestry and Recreation Division (the Division) welcomes and encourages donations and fundraising activities undertaken to assist in the provision of Parks, Forestry and Recreation services and projects. All donations will be consistent with the Division's vision, mission, strategic goals and objectives and will not, in any way, compromise or contravene any policy of the City or reflect negatively on the City's public image. The Division retains the right to reject an donation or fundraising activity in whole or in part.

Definitions: Donation: for the purposes of this policy refers to a gift of cash, given voluntarily towards a Parks, Forestry and Recreation capital project as a philanthropic act, for which an income tax receipt can be issued. Contributions of skills or time through volunteer services, although greatly valued and appreciated by the City, are not considered as donations in this policy, as they are not recognized as such by the Canadian Income Tax Act.

Fundraising: for the purposes of this policy refer to soliciting donations of cash to benefit a Parks, Forestry and Recreation capital project.

Conditions: Acceptance of donations and fundraising initiatives for Parks, Forestry and Recreation capital projects will be authorized by the General Manager of Parks, Forestry and Recreation or their designate, and based on a number of criteria including, but not limited to, the following:

- i) Donations and fundraising for projects will be accepted for Parks, Forestry and Recreation capital projects which have been approved by Council;
- ii) Donations and fundraising revenues received for approved Parks, Forestry and Recreation capital projects will be applied to the specific, ear-marked capital project for which the funds were contributed;
- iii) The General Manager of Parks, Forestry and Recreation will report to the appropriate Standing Committee and Council, annually, on donations received for capital projects.
- iv) Donations and fundraising must be consistent with the objectives outlined in the Division's annual, 5 and 10 year Capital Budget Plan as well as the strategic and business plans for the Division;
- v) Donations and fundraising must be consistent with approved Divisional and corporate policies;
- vi) Donations and fundraising must be made without the expectation of anything in return; and
- vii) Income tax receipts will be issued for donations, by cheque, of \$10.00¹ or more;

¹ As per Finance Dept. policy FS-DPR02