

# REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN BOARD POLICY

**POLICY:** Corporate Donations and Naming Rights Policy

**AUTHORITY:** Board Resolution dated May 3, 2018.

## 1. POLICY STATEMENT

The Regional District of Okanagan-Similkameen (RDOS) acknowledges that through donations, there is potential to expand and enhance the full spectrum of programs, services and facilities for its constituents. All donations shall be recognized in a consistent and equitable manner, ensuring that they align with the corporate strategic priorities and serve the public interest.

## 2. PURPOSE

This policy articulates the circumstances under which the RDOS will accept donations and outlines the program for recognizing donations.

## 3. SCOPE

Except as otherwise set out, this policy shall apply to donations from private citizens, organizations, and/or businesses that contribute to RDOS programs, services or facilities.

This policy shall not apply to:

- corporate sponsorship arrangements;
- advertising sales;
- funding or gifts in-kind obtained from other levels of governments through normal transfer payments or grant programs; and
- fees charged, purchase of service agreements, leasing of property, or similar revenue earned by the RDOS.
- Gifts of service (donated time, skills, or efforts) or volunteerism.

## 4. DEFINITIONS

**Donations:** For the purpose of this policy, “Donations” will refer to a one-time monetary gift or gift of property towards a specified project or improvement.

**Eligible amount of the gift:** The amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, received or receivable for the gift.

**Advantage:** The advantage is generally the total value of any property, service, compensation, use or any other benefit that the donor is entitled to as partial consideration for, or in gratitude for the gift.

**Arm’s length transaction:** Refers to a transaction between persons who act in their separate interests. The criteria for determining what qualifies as an arm’s length transaction are established in Canada Revenue Agency (CRA) Policy 113 (E) Rev. 16.

**Tax deductible receipt:** Refers to an Official Donation Receipt as defined by the Canada Revenue Agency.

## **5. DONATION ACCEPTANCE GUIDELINES**

The donation must:

- a) be consistent with the mandate, policies and objectives of the RDOS;
- b) enhance the development, delivery, awareness or continuance of one or more RDOS programs, services, or facilities; or provide for the delivery of programs and services by the community in a manner deemed by the RDOS to be efficient, effective and in the best interests of the community at large;
- c) take into consideration the long term implications on staffing and financial resources beyond the life of the donation;
- d) be subject to any other applicable approval process mandated by legislation, regulation, bylaw or resolution;
- e) be in a form acceptable to the RDOS;
- f) take into consideration the anticipated community impact of the donation, particularly when the donor's products or public image may be deemed sensitive.

The donation must not:

- g) imply endorsement of the donor or, if the donor is a company, imply endorsement of its products and services and should prohibit corporate partners from making statements which suggest a company's products and services are endorsed by the RDOS;
- h) result in or be perceived as giving any preferential treatment outside of the donation framework;
- i) be accepted from individuals or corporations currently not in good standing with the RDOS (i.e. currently in violation of a bylaw or under litigation or delinquent on payments owing the RDOS);
- j) cause an employee or elected official to receive any product, service or asset for personal use or gain;
- k) The RDOS reserves the right to refuse any donation at any time prior to the transaction date.

## **6. VALUATION OF DONATIONS (this is only required if a tax deductible donation receipt is to be issued)**

- a) All donations will be valued at the fair market value of the gifted item;
- b) Where the value of a potential donation is not known or uncertain, the RDOS may request an appraisal, of which the donor may be asked to cover the costs.

## **7. DONATION AGREEMENTS**

The agreement will be in the form of a letter (for donations less than \$5,000); a memorandum of agreement (for donations of \$5,000 to \$25,000) or a contract (for donations over \$25,000). Agreements will outline the following, at a minimum:

- a) what the donor is contributing and what the value of the contribution represents;
- b) the dispositions and ownership of any assets resulting from the donation;
- c) responsibility for the maintenance, insurance and taxes of all assets associated with or resulting from the donation; and
- d) the duration of the donation (if applicable).

## **8. USE OF DONATED FUNDS**

- a) The RDOS must retain active control over the use of donated funds..
- b) The RDOS is not required to return donations to the donor if requested.
- c) Donors can designate the funds be used for a program or project. If accepted, the RDOS is required to use the funds within that program or project. It must be a program that is currently in place or a new program that falls within the scope and mandate of the RDOS. The RDOS Board may name a project that it wants to support through donations and other sources of funding.

## **9. PLACEMENT, MAINTENANCE, AND RIGHT OF REMOVAL**

- a) The RDOS will welcome the suggestion of the donor regarding placement and location of the amenity or special project. Final approval of location and placement will be at the discretion of and subject to the approval of the RDOS.
- b) Upon midnight of the transaction date, donated items will become the property of the RDOS, and are included within the corporate replacement and liability insurance policies.
- c) Donations of standard amenities are for a fixed duration of 10 years. Associated maintenance costs over a 10 year term are included in the cost schedule as set out in Schedule A.
- d) Upon completion of the donation term, the RDOS will give notice to the donor, and provide an opportunity to renew at 50% of the original cost for another 10 year term.
- e) In the event that a donation becomes vandalized or in need of repair, the RDOS will carry out one-time repairs to bring the amenity to its most recent standard within the donation term.
- f) The RDOS reserves the right to re-locate the item, if necessary. If a change to RDOS' infrastructure requires removal of the donated item, the RDOS will make an effort to relocate or replace the item within a reasonable proximity to the original location. If this is not achievable, the RDOS reserves the right to relocate the item to a suitable location determined by the RDOS.
- g) In the event that the condition of the donated amenity is compromised and is determined by the RDOS to be an immediate safety risk to the public, the RDOS reserves the right to remove the amenity or item.

## **10. CONDITION OF NON-MONETARY GIFTS**

- a) All non-monetary gifts presented for donation must be in acceptable condition to the RDOS prior to the date of transaction or otherwise acknowledged within a contractual agreement;
- b) Wherein assessments of condition or rehabilitation work are required, such work must be completed prior to the transaction date, unless otherwise specified within a contractual agreement.
- c) The RDOS reserves the right to refuse any non-monetary gift deemed to be in less than acceptable condition by the RDOS.

## **11. INDEPENDENCE FROM UNDUE INFLUENCE**

- a) To ensure that the RDOS retains an arm's length relationship with a donor and does not act subject to undue influence; donations cannot be solicited or accepted from the following:
  - A party to an application for an approval, license or permit, or
  - A bidder, proponent or applicant or any party not acting at arm's length from a bidder, proponent or applicant to an open procurement.
- b) The RDOS cannot accept donations that are conditional upon the endorsement of any product, service or supplier.

## **12. ISSUING TAX DEDUCTIBLE RECEIPTS**

- a) Donations can be accepted without the donor requesting a tax-deductible donation receipt. This may be applicable to businesses that will claim the donation as an expense.
- b) In the event that a donor requests a tax-deductible receipt, the RDOS must verify that the receipt can be issued before the donation is accepted.
- c) Tax deductible receipts will be issued for the eligible amount of the gift. In the event that the donor requests not to receive recognition, the tax deductible receipt will be issued for the eligible amount of the gift, less the adjusted advantage received.
- d) Tax deductible receipts will only be issued for donations with a value in excess of \$20.00.
- e) Tax deductible receipts will be issued no later than January 31st of the following year.

## **13. DONOR RECOGNITION**

- a) All donors will receive a plaque or sign of recognition in accordance with Schedule B.
- b) All donors will receive public acknowledgement of the donation in accordance with Schedule B.
- c) Donors who wish to remain anonymous must notify the RDOS in writing of their wishes prior to the transaction date. Should the donor wish to forego the recognition plaque, the plaque cost will be added to the eligible gift amount and reflected within the non-refundable tax receipt.

## **14. NAMING RIGHTS**

- a) Donors of standard amenities are permitted to have input into the text contained within the recognition plaque. The proposed text shall be expressed by the Donor at the time of application, is subject to the final approval of the RDOS, and will be finalized in writing prior to the transaction date.
- b) Donors who contribute towards a special project are permitted to have input into the naming rights of the specified project. Where multiple donors are involved, donors are encouraged to reach consensus among all donating parties prior to forwarding their input to the RDOS. The

proposed name shall be expressed by the Donor(s) prior to the transaction date, and is subject to the final approval of the RDOS.

- c) Donors are encouraged to suggest names that represent one or more of the following: the geographical location, the geological features of the landscape, persons (both living and in memoriam) who significantly contributed to the specified project or community at large, or an uplifting message, inspirational phrase or quote.
- d) The RDOS will not permit names of the following nature: names that promote or condone stereotyping of any group or discrimination, or names that are of a contentious or political nature.
- e) Names assigned to donated amenities, objects, or projects must only be associated with persons, groups or businesses in good public and moral standing. Any criminal or moral lapse may result in the revocation of the naming right at the RDOS Board's discretion.

#### **15. OTHER LEGISLATION**

Where there is a conflict between this policy and legislation from a senior level of government (i.e. Canada Revenue Agency CRA), the more restrictive will apply.

**\*\*\* END OF POLICY \*\*\***

**Schedule A – List of Donation Types and Costs (\*PRICES TO BE CONFIRMED).**

<b>Standard Amenities</b>	<b>Donation Amount (Estimate)</b>
Tree planting	\$ 500 and up.
Bicycle Rack	\$1700
Park Benches	\$1800
Transit Benches	\$1800
Picnic Table	\$4000
Gardens	varies
Kiosks and Signs	varies
<b>Special Projects</b>	<b>Donation Amount (Estimate)</b>
<b>Parks Improvement Projects</b>	
Trail Development (by kilometre)	varies
Gardens and Forest Reclamations	varies
Kiosks and Signs	varies
Art Installations and Sculptures	varies
<b>Transit Improvement Projects</b>	
Transit Shelters	varies
<b>Recreation, Culture and Heritage Improvement Projects</b>	
Exercise equipment	varies
Playground Equipment	varies
Heritage Restorations of RDOS Owned Assets	varies
Kiosks and Signs	
<b>Fire Protection Improvement Projects</b>	
Search and Rescue Equipment	varies
<b>Conservation Improvement Projects</b>	
Small Scale Riparian Restoration Projects	varies
<b>Public Works Improvement Projects</b>	
Infrastructure Upgrades	varies
Climate Change Mitigation Initiatives	varies
<b>Other</b>	
Land	varies
Facilities	varies

**Schedule B –Summary of Classification Terms**

<b>Classification</b>	<b>Amount</b>	<b>Term</b>	<b>Agreement</b>	<b>Recognition</b>	<b>Naming Right</b>
Standard	Up to \$4,999	10 years with the option of renewal	Letter	- Annual recognition ad - Standard Donor plaque (10cmx20cm)	10 years per donation term
Silver	\$5,000 to \$24,999	In perpetuity <i>See Note A, B</i>	Memorandum of Agreement	- Annual recognition ad - Donor plaque (15cmx20cm)	In perpetuity <i>See Note B</i>
Gold	\$25,000 to \$99,999	In perpetuity <i>See Note A, B</i>	Contract	- Press release - Donor plaque or sign - Recognition Event with Area Director	In perpetuity <i>See Note B</i>
Platinum	\$100,000 and over	In perpetuity <i>See Note A, B</i>	Contract	- Press release - Donor plaque or sign - Recognition Event with RDOS Chair and Area Director	In perpetuity <i>See Note B</i>

Notes:

A = May require establishment of tax service for ongoing maintenance.

B = Perpetuity refers to the full life cycle of donated item.

**\*\* END OF SCHEDULES\*\***