



CITY OF VAUGHAN

CORPORATE PROCEDURE

PROCEDURE TITLE: INCOMING SPONSORSHIPS & DONATIONS

PROCEDURE NO.: PRC.35

Section:	Donations & Grants		
Effective Date:	Click or tap to enter a date.	Date of Last Review:	Click or tap to enter a date.
Policy Parent: Sponsorship and Donation – 02. C.12	Procedure Owner: City Manager		
PROCEDURE STATEMENT			
This document outlines the procedures to be followed by staff when acquiring and implementing monetary or in-kind Sponsorship and/or Donations for the City of Vaughan pursuant to the Incoming Sponsorship & Donation – 02.C.12 policy.			
PURPOSE			
To ensure a consistent and strategic approach to all inbound sponsorships and donations acquired by and benefiting the City. It is also to identify the roles and responsibilities of City staff in each step of the process.			
SCOPE			
<ol style="list-style-type: none"> 1. These procedures apply to all situations that involve a Sponsorship and/or Donation of either cash or in-kind goods, products, or services being proposed to the City by an outside party, whether solicited or unsolicited. 2. These procedures do not apply to: <ol style="list-style-type: none"> 2.1. All Mayor and/or Members of Council initiatives (see Code of Ethical Conduct for Members of Council and the Council Member Expense – 06.C.02 policy). 2.2. Grants obtained from other federal or provincial governments, corporate foundations, trusts, etc. (see Grant Funding – 09.C.01 policy). 2.3. Emergency Donations (see A By-law to appoint members to the City's Emergency Management Program Committee Terms of Reference and amend By-law Number 63-2008 – By-law 030-2019). 			

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- 2.4. Corporate Naming Rights, and/or Commemorative Naming (see TPF-006 Naming City Parks, Open Spaces, Community Facilities and other Municipal Buildings and Properties Policy).
- 2.5. Street Naming (see DP-006 Street Naming Policy).
- 2.6. Any Sponsorship or Donations that pre-date this policy, however, Sponsorship renewals will be subject to this policy.
- 2.7. Outgoing City Sponsorship support of external projects where the City provides funds to an outside organization.
- 2.8. Donations of public art or art inventoried in the City's Corporate Art Collection.
- 2.9. Donations of cultural property including but not limited to Vaughan Archives.
- 2.10. Campaign contributions as set out in the Municipal Elections Act, 1996.
- 2.11. Matters related to Planning, Development or Real Estate agreements.

LEGISLATIVE REQUIREMENTS

1. Income Tax Act, RSC 1985, c 1 (5th Supp.) Section 118.1 (Individuals) and Section 110.1 (corporations).

DEFINITIONS

1. **Donation(s):** Philanthropic contributions or gifts in which cash or in-kind goods, or services are voluntarily transferred by a third party ("Donor") to the City without expectation of return. In such instances, no valuable consideration is provided to, and no business relationship exists with, the third party whether they are an Organization or Individual. A Donation tax receipt can be issued if it meets the criteria set out by the Canada Revenue Agency (CRA) in Section 118.1 of the Income Tax Act for charitable giving and, in the case of in-kind, the fair market value of the Donation can be proven.
2. **Individual:** A resident or non-resident of Vaughan not associated with an Organization for the purposes of this policy.
3. **Organization:** A registered business either in Vaughan or outside of Vaughan that is not an Individual or special interest body such as a school board or government agency.
4. **Sponsorship(s):** A mutually beneficial business agreement where an external party ("Sponsor"), whether for profit or otherwise, provides cash and/or in-kind products or services to the City in return for commercial benefit. These benefits may take the form of marketing, publicity, promotional consideration,

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merchandising opportunities, etc. Because of these marketing benefits, Sponsorships do not qualify for a tax receipt and the value of each Sponsorship is negotiated between the parties.

PROCEDURE

1. Donation by an Individual

- 1.1. Individual is interested in donating financially or in-kind to the City. (Please note: an Individual can only be a Donor; Sponsorship benefits are not permitted for Individuals).
- 1.2. Individuals registered to run for public office are prohibited from donating or sponsoring through their business during a campaign period.
- 1.3. Staff engaging with the Individual inquiry determines if the Donation is financial or in-kind.
- 1.4. Financial Donations:
 - 1.4.1. Staff would determine if the monetary Donation fits within a current program or if it is unsolicited.
 - 1.4.2. If monetary Donations are solicited for a current program:
 - 1.4.2.1. Individuals can donate a desired amount.
 - 1.4.2.2. Staff issue tax receipt if up to or over \$25.
 - 1.4.2.3. Name Recognition in text permitted; however, no marketing benefits, in harmony with CRA provisions.
 - 1.4.3. If a monetary Donation is unsolicited and no current program exists:
 - 1.4.3.1. Contact Economic Development.
 - 1.4.3.2. Economic Development will review the monetary Donation request to determine the acceptance and/or allocation.
 - 1.4.3.3. Staff processes Donations and issues tax receipts if up to or over \$25.
 - 1.4.3.4. Name Recognition in text permitted however no marketing benefits will be granted in accordance with CRA directions.
- 1.5. In-Kind Donations:
 - 1.5.1. Staff would determine if the in-kind Donation fits within a current program or if it is unsolicited.

1.5.2. If in-kind Donations are solicited for a current program:

1.5.2.1. Individuals can donate in-kind products or services in response to a solicitation.

1.5.2.2. If an Individual requests a tax receipt, staff may issue a Donation tax receipt if it meets the Canada Revenue Agency's charities-giving regulations and criteria, and the fair market value is on or over \$25.

1.5.2.3. Name Recognition may be granted through a Council approved program however no marketing benefits are permitted.

1.5.3. If an in-kind Donation is unsolicited:

Staff approval is required prior to acceptance. Staff must forward the inquiry to Economic Development who will assess the unsolicited in-kind Donation and advise for the next steps.

2. Solicited Sponsorship or Donation from an Organization

2.1. Sponsorship or Donation programs are developed with the aim of targeting certain Organizations through direct solicitation by City staff, or any third-party groups retained by the City for such purposes.

2.2. To expedite the process, a formal competitive process is not required when soliciting Sponsorships. While there is no obligation to test the market, to maximize the contribution it is expected that the responsible program management staff engage with several prospective partners and that engagement is documented. Department Heads shall approve all Sponsorships and Donations.

2.3. Potential sponsors, advertisers or Donors must not be solicited in a manner that uses or implies coercion and declined solicitations for contributions shall not be penalized.

2.4. If the solicitation is successful, Staff must:

2.4.1. Determine if the Organization is interested in sponsoring (with marketing and/or promotional benefits) or donating (tax receipt and Name Recognition where applicable).

2.4.2. Evaluate the Organization to ensure fit by emailing Legal Services to conduct litigation and any other required checks, emailing Bylaw to verify bylaw compliance and emailing Procurement Services for vendor performance/ procurement status if applicable.

2.5. If an Organization wants to sponsor a set program and receive marketing and/or promotional benefits:

2.5.1. Staff will determine if the Organization wants to sponsor financially or in-kind.

2.5.2. Financial Sponsorship

2.5.2.1. Organization receives marketing and/or promotional benefits for the term of their Sponsorship in accordance with their agreement, for the set program.

2.5.2.2. Relationship ends after the contract term has ended, with no further obligation or expectation on either side.

2.5.3. In-Kind Sponsorship

2.5.3.1. Staff would determine the value of the product or service and provide marketing and/or promotional benefits accordingly for the set program.

2.5.3.2. Relationship ends after the contract term has ended, with no further obligation or expectation on either side.

2.6. If an Organization wants to donate to a set program and receive a tax receipt where applicable:

2.6.1. Staff will determine if the Organization wants to donate financially or in-kind.

2.6.1.1. Financial Donation

The Organization receives a tax receipt for their Donation if the value is up to or over \$25 in accord with CRA criteria.
(Organizations may receive Name Recognition as indicated in the Sponsorship and Donations Policy).

2.6.1.2. In-Kind Donation

Only if requested by the Organization, staff may issue a Donation tax receipt if it meets the Canada Revenue Agency's criteria and the fair market value is up to or over \$25.

3. Unsolicited Requests for Sponsorship or Donation by an Organization

3.1. Unsolicited Requests for Sponsorships or Donations may be considered by the City and evaluated against the provisions of the Incoming Sponsorship and Donation Policy and Procedures. The City reserves the right to reject any Unsolicited Requests offered to the City and to refuse to enter into agreements that originally may have been solicited by the City.

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3.2. If an Organization is interested in sponsoring or donating to the City and has approached staff in any department or Council with an Unsolicited Request, elected officials are encouraged to refer unsolicited requests to the appropriate staff.

3.3. Staff will forward Requests to Economic Development for discovery to determine the type of Organization (profit, non-profit), type of Sponsorship or Donation, their interest in receiving marketing benefits or tax receipt, and what their overall objective is in engaging with the City. Staff may determine not to proceed and direct them to donate to a charity of their choice.

3.4. If the Organization is advocating for change:

Organization would be directed to the lobbyist registry for next steps. Staff can refer to Schedule 'A' of By-law 165-2017 - A By-law to permit the establishment of a Lobbyist Registry and refer the Organization to the Lobbyist Registry at LobbyistRegistry@vaughan.ca.

3.5. If the Organization wants to do business with the City:

3.5.1. Staff will determine if the proposed Sponsorship or Donation can be directed to an existing program on the inventory list.

3.5.2. If yes, Staff follows procedures laid out in section 2 of these Sponsorship and Donation Procedures.

3.5.3. If no, Staff may determine not to proceed and may direct them to donate to a charity of their choice.

3.5.4. If the Request is unsolicited and there is no Sponsorship or Donation element clearly defining it as an Unsolicited Proposal, Economic Development will forward it to the Director of Procurement as per Section 10 of the 15.C.03 Corporate Procurement Policy, Unsolicited Proposals, and any associated procedures, as revised from time to time.

3.5.5. If Unsolicited **Sponsorship** (cash or in-kind of any size) is moving ahead in compliance with the Sponsorship and Donation Policy, Economic Development in partnership with the Department Head will facilitate:

3.5.5.1. Required Council approval to add the program to the inventory list, where applicable.

3.5.5.2. Upon Council approval, the development of the Sponsorship agreement including benefits, pricing and other terms and conditions of the Sponsorship as mutually agreed upon between the lead department and the Legal Services Department.

3.5.6. If Unsolicited **Donation** (financial or in-kind)

- 3.5.6.1. Staff identifies if the unsolicited financial Donation is from a reputable Organization and not in violation of the City's vision, mission, and values.
- 3.5.6.2. Staff then assess where the funds can be applied if a set program does not already exist in partnership with Economic Development and Financial Services Departments and would not warrant any further recognition.
- 3.5.6.3. Staff can accept financial Donations and issue a tax receipt if the Donation is up to or above \$25.
- 3.5.6.4. If the unsolicited Donation is in-kind, staff must assess the need for the Donation, consult with Procurement Services, Legal Services and Risk Management Services and potentially go to Council for approval prior to accepting.

4. Administration

4.1. Sponsorship and Donation Criteria

- 4.1.1. The terms and conditions contained within the Sponsorship or Donation agreement are to be approved by the Department Head or designate prior to obtaining a signature from the signing authority, regardless of value. If the agreement involves more than one department, approval will be obtained from the Heads (or designates) of each department involved.
- 4.1.2. Once the Sponsorship agreement is executed, it is the responsibility of the recipient department of the offer to ensure that the terms of the agreement are adhered to.
- 4.1.3. Periodically, staff will report on Sponsorship and Donation activities outlined in this procedure including but not limited to an Inventory List of Sponsorship and Donation opportunities for Council approval.
- 4.1.4. Once an Inventory List has been approved by Council, City staff and all third-party agencies contracted for the purpose of soliciting Sponsorships and Donations are free to pursue the opportunities listed, in compliance with the Incoming Sponsorship and Donation Policy and Procedures.

4.2. Fund Allocation

All Sponsorship revenue along with Donations collected shall be directed to the appropriate budget determined by the recipient department in consultation with the Department of Financial Planning and Developmental Finance

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5. Termination Procedures

5.1. Pursuant to the Approval, Execution and Termination Table set out in the Incoming Sponsorship and Donation Policy, if a Sponsorship is no longer in the best interest of the City, the holder of the delegated authority for termination may terminate the Sponsorship agreement.

ADMINISTRATION

Administered by the Office of the City Clerk.

Review Schedule:	Other (specify) Term of Council	Next Review Date:	November 1, 2026
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Related Procedure(s):

Related By-Law(s):

Supporting Documentation: Appendix A – Inventory List

Revision History

Date:	Description:
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Click or tap to enter a date.