

Policy Title:	Donations and Sponsorships
Policy Type:	Administration
Policy #:	ADM 06
Policy Authority:	Board
Effective Date:	June 2023
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PURPOSE

The Clarington Library, Museums and Archives (CLMA) welcomes and encourages gifts, sponsorships, and contributions from individuals, groups, organizations, and the business community to enhance its services, resources, and programs for the residents of the Municipality of Clarington. This policy outlines the guidelines for donation receipting, the types of donations and sponsorships that are accepted and approvals tiers for accepting donations or sponsorships. This policy applies to all CLMA staff, Board members, and volunteers engaged in fundraising, sponsorship, or donation-related activities, including acquisition and management of materials, art, and naming opportunities.

In addition, this policy provides guidelines for the acquisition and de-accessioning of original works of art, purchased or donated for CLMA public spaces, and provides guidance on the naming of all new CLMA buildings, and of all existing CLMA buildings undergoing significant renovation and expansion.

DEFINITIONS

Sponsorship: A mutually beneficial exchange between the CLMA and an external organization whereby the sponsor receives a benefit of reciprocal value, such as recognition, acknowledgement, or other promotional considerations, in return for providing monies and/or products and services in-kind to the CLMA. A sponsorship is designed to benefit both parties; it is not a philanthropic gift.

Philanthropic Gift or Donation: An arrangement where a donor contributes monies and/or in-kind goods or services to the CLMA without expectation or requirement of a reciprocal benefit. While most donors expect some form of recognition because of their gift, the recognition is marginal in value relative to the value of the gift, as defined by the Canada Revenue Agency.

GUIDING PRINCIPLES

In the development or acceptance of any donations or sponsorships, the CLMA will:

1. Not undermine the integrity of the non-commercial public space that the CLMA provides.
2. Not compromise the public service objectives and practices of the CLMA.
3. Protect its principles of intellectual freedom and equity of access to its programs, services, and collections.
4. Protect personal information by not selling or providing access to CLMA records.
5. Not permit any undue impact on the policies and practices of the organization, or the information provided by the CLMA, or to influence or alter the basic goals and objectives of the organization's programs.
6. Not seek or accept sponsorships for programs, events, services, or activities involving or targeted to children from companies whose products cannot legally be sold or distributed to children or from companies whose products are inappropriate for use by children.
7. Not accept direct marketing of products to children, except where relevant educational material is promoted in conjunction with programs.
8. Not enter into an alliance or partnership with any corporation or organization where the association with the prospective partner would jeopardize the financial, legal or moral integrity of the CLMA or adversely impact upon the CLMA's standing and reputation in the community.
9. Not entertain opportunities with companies or organizations whose products or activities are detrimental to human health or that discriminate discredit or demean any group or groups of people.
10. Where a sponsorship or donation agreement limits the CLMA's ability to enter into other sponsorships, ensure that such an agreement shall clearly define the nature and extent of the exclusivity, and the time frame over which the exclusivity is to be granted.

SPONSORSHIPS

1. The solicitation of sponsorships by CLMA staff must receive prior approval of the CEO or designate as delegated.
2. Charitable tax receipts cannot be issued for funds, products, or in-kind services given to the CLMA as part of a sponsorship agreement.
3. Sponsorship does not imply endorsement of products or services by the CLMA.

4. Sponsorships cannot be made conditional on CLMA performance outcomes.
5. Sponsors will be provided with a level of recognition commensurate with their contribution, as determined by the CLMA. Recognition shall be in conjunction with, but not limited to, the programs or services that are supported by the sponsor.
6. Any public use of the name and/or logo connected to the CLMA must be approved by the CEO.
7. Sponsors have marketing rights to promote their involvement with the CLMA subject to these provisions.
8. Sponsor corporate names and/or logo will not have prominence over the CLMA name and/or logo.
9. Sponsorship does not cover:
 - a. Philanthropic gifts or donations;
 - b. Grants or funds obtained from other levels of government;
 - c. Arrangements where the CLMA sponsors or contributes to external projects or other organizations.
10. The CLMA reserves the right to refuse any sponsorship opportunity which is deemed to be inappropriate or unsuitable to the advancement of the mission and objectives of the organization.
11. The CLMA reserves the right to terminate an existing sponsorship should conditions arise during the life of the sponsorship that result in it conflicting with this policy, or if that sponsorship no longer supports the best interests of the organization.
12. All sponsorships more than Ten Thousand (\$10,000) Dollars will be embodied in a formal written agreement between the CLMA and the sponsorship partner.

This letter of agreement should be signed by representatives of the sponsoring organization and authorized representative of the CLMA. The letter of agreement will define the terms of the sponsorship (benefits, roles and responsibilities, fees, insurance, duration, promotion, and advertising, etc.) and the recognition to be provided to the sponsor.
13. Sponsorships valued at Thirty Thousand (\$30,000) Dollars or less may be approved by the CEO and reported to the Board at its next meeting.
14. Sponsorships with values in excess of Thirty Thousand (\$30,000) Dollars shall be submitted to the Board for approval.

CLMA DONATIONS

1. Books and other formats are accepted for CLMA collections under the principles and standards of selection outlined in the Collections and Materials Selection Policy. In accordance with the CLMA Collections Policy, materials generated by Artificial Intelligence (AI) will not be accepted as donations.
2. A gift, once accepted, is the exclusive property of the CLMA; as such it is subject to the rules, regulations, and processes of the CLMA. Once an item is added to the collection, the CLMA does not guarantee that it will be kept permanently.
3. The CLMA does not issue tax receipts for donations of books, magazines, AV materials.
4. Individuals or groups wishing to donate new or used material for the CLMA collection shall be referred to the Manager, Collections & Resources, if necessary.
5. A letter of thanks may be sent by the CEO to the donor on behalf of the Board once a donation is accepted.
6. Unsolicited used materials dropped off at the CLMA may be added to the CLMA collection, made available for resale to the public; redistributed to other agencies; recycled or discarded.
7. Non-book donations include gifts of money, manuscripts and other printed materials, art and photographic works, equipment, toys and other in-kind gifts or services.
8. The CLMA reserves the right to use the donation in the best interest of the organization and shall make decisions regarding the investment, disposition and/or eventual disposal of all donations.
9. Canada Revenue Agency (CRA) defines a gift as "a voluntary transfer of property without valuable consideration". Under the *Income Tax Act*, the CLMA can issue official donation receipts for income tax purposes for donations that legally qualify as gifts. The CLMA does not issue tax receipts for donations of books, magazines, AV materials. In accordance with CRA policy, tax receipts are issued where the value of the donation exceeds twenty-five (\$25.00) dollars. For in-kind donations, official receipts will be issued where the fair-market value of the donation exceeds twenty-five (\$25) dollars. The CLMA follows the regulations set out by the CRA governing the valuation of gifts-in-kind.

10. Collections, donations and acquisitions to the Museum are subject to the principles outlined in the CLMA Collections Management Policy.

NAMING OF CLMA SPACES

1. The naming of all new CLMA buildings and of all existing buildings undergoing significant renovation and/or expansion is the responsibility of the Board.
2. The CEO is responsible for determining the way in which the name is recognized.
3. Naming of new facilities or existing facilities undergoing significant renovations and/or expansion shall be considered:
 - a. with a preference for geographic or functional designation; or
 - b. when the Board chooses to accept the gift of a donor (or donors) who requests naming rights and who contributes a minimum of 51% of the total project costs, including construction, equipment, furnishings, and collections for the building.
 - c. The term for the naming of the new facility shall be twenty-five (25) years, after which the building could be renamed, based on the above criteria.
4. Other naming opportunities will be available within a new building or existing buildings undergoing significant renovation and expansion. These opportunities identified by the CLMA could include such areas as meeting rooms, auditoriums, reading lounges, special use areas, collections, equipment, gardens or other interior and exterior spaces.
5. Naming opportunities are available for individuals, families, foundations, and corporations making a significant contribution to the project, as determined by the square footage costs of the specific area of interest, plus the cost of new equipment or collections for that area.
6. A list of the interior naming opportunities and costs for each facility under construction will be submitted by the CEO to the Board for approval.
7. No naming opportunities will be considered for religious or political entities.

DONATIONS OF ORIGINAL WORKS OF ART FOR PUBLIC SPACES

1. The CLMA does not actively develop a collection of original works of art for public spaces.

2. The Board shall authorize the acceptance/de-accessioning of all original works of art for public spaces. In both cases, the Board may consult external expertise.
3. The Board reserves the right to accept/refuse/dispose of, at its discretion, any unsolicited donation.
4. All donations of works of art shall constitute a complete transfer of ownership of the work, without restrictions from the donor to the CLMA. The donor shall be required to sign a donor standard waiver or deed of gift that among other things describes the property accurately and verifies the ability of the owner to transfer title freely, as well as stating provenance. The CLMA accepts only works that are offered unrestricted, with no conditions attached to them.
5. The CLMA shall seek an objective and fair market appraisal of the work to be donated from any expertise deemed necessary, such as members of the Art Dealers' Association of Canada who subscribe to a code of ethics and issue standard appraisal certificates acceptable to Revenue Canada. Such certified appraisals must be provided by the donor and upon acceptance of the gift by the Board, a receipt for income tax purposes will be issued.
6. A gift, once accepted, is the exclusive property of the CLMA; as such it is subject to the rules, regulations, and processes of the CLMA. Once an item is accepted the CLMA does not guarantee that it will be kept permanently.
7. In the acquisition of original works of art, priority is given to local and other Canadian artists.
8. If the CLMA is in possession of a work of art that has been inadvertently acquired in the consequence of spoliation, illicit transactions, or the like, the CLMA will consider appropriate action regarding the return or repatriation of the work in question.
9. De-accessioning may include but be limited to the following criteria: work of poor quality, redundancy or duplication, lack of significance or relevance; lack of space, inability to adequately maintain/restore condition.
10. If a work of art is to be de-accessioned, the CLMA will make an effort to inform the donor or donor's family of the decision.
11. This policy does not apply to partnership art displays or exhibitions, at CLMA facilities.

DONATION RECEIPTING

The CLMA adheres to the Canadian Revenue Agency Guidelines on donation receipting.

It is CLMA's responsibility to know what qualifies as a gift for income tax purposes, how much of a gift can be receipted, and how to issue those receipts. Not all gifts received by CLMA will qualify as gifts for income tax purposes.

The brief definition of a gift that qualifies for a donation receipt is that it is a voluntary, non-reciprocal transfer of property owned by the donor to CLMA.

CLMA Administration staff are authorized to issue donation receipts for cash gifts with no advantage and gifts in kind with no advantage up to a threshold of \$1,000. For any gifts exceeding the \$1,000 threshold, and for any gifts where an advantage to the donor has been provided or is owed, staff must obtain approval from the CEO.

If an official donation receipt is being issued, it must reflect the fair market value of the gift received. The onus is on the receipt issuer to determine that the fair market value reflected on the donation receipt is accurate. In cases where the fair market value of the gift cannot be determined at the time the gift is received, a donation receipt cannot be issued.

Gifts of property do not only mean gifts of cash, but can also include non-cash property such as artwork, furniture, clothing, real estate, building materials, etc. As these are all gifts of property, receipts may be issued for them. The value is required to be reported by CLMA on receipts issued and if the value cannot be determined, a receipt cannot be issued. But beyond receipting purposes, knowing the fair market value is also helpful in cases where CLMA chooses to liquidate the gift-in-kind at a later date.

POLICY RESOLUTION

Any questions, concerns, or requests for clarification regarding the interpretation or application of this policy can be directed to the CEO at ceo@cplma.ca.

If the matter remains unresolved or the party is not satisfied with the CEO's determination, the issue may then be formally escalated to the Library Bard for review at chair@cplma.ca.

The decision of the Library Board shall constitute the final authority on all matters related to the interpretation and application of this policy.