

# Corporate Report

NO: R081

COUNCIL DATE: April 28, 2003



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## REGULAR

TO: **Mayor & Council**                      DATE: **April 23,  
2003**

FROM: **City Manager**                      FILE: **8000-40/N**

SUBJECT: **Newton Seniors Society Fund-Raising Efforts**

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## RECOMMENDATION

That Council support the Newton Seniors' Society fund raising efforts by accepting donations from citizens.

## BACKGROUND

Since the Centre opened in 1992, Newton Seniors' Centre membership has grown from a base of 900 members to its present membership of over 2,000. The activities of the membership had experienced similar growth and the use of the facility has been maximized. In March of 2000 a small, dedicated group of members started meeting to investigate the possibility of an addition to the facility. After researching different options, meeting with Parks, Recreation and Culture staff, visiting other municipalities and meeting with members of the Centre, a non profit society was formed. A list of the Society Directors is attached as Appendix A. The purpose of the Society is to:

Encourage endowments and gifts and raise funds to support the future growth and development of Newton Seniors' Centre.

On December 21, 2001, Newton Seniors' Society was officially incorporated under the Society Act of British Columbia. The Society's Constitution is attached as Appendix B. The Society currently has 200 members.

Jean Lamontagne, Manager, Planning, Research and Design presented the Seniors' Society with conceptual drawings for a facility addition with an estimated cost of \$500,000.

## DISCUSSION

To date, the Society has raised approximately \$4,000. They feel that their major challenge in raising funds is the inability to give a charitable tax receipt to donors. In their efforts to secure the ability to issue official income tax receipts, the Society has:

- Applied to the Charities Directorate but were denied the authority to issue official donation receipts for income tax purposes (correspondence is attached as Appendix C).

The Society then investigated forming a partnership with the following agencies:

- Newton Lions Club
- North Surrey Lions Club
- Surrey Foundation

The Society was unable to form a partnership, as these organizations do not support a one time capital project.

The Society is still seeking other alternative partners or means of gaining the ability to issue tax receipts, and is open to suggestions from Council. However, the Society does not want to delay their efforts while they explore other options, therefore they are seeking the cooperation of the City.

Issuing tax receipts through a partnership with the City is the most viable option currently available to the Society. The following pros and cons have been identified:

#### Pros

- If Council supports accepting donations for the upgrading of Newton Seniors' Centre, the Society would be able to issue tax receipts to individual donors.
- The ability to give receipts can be implemented immediately, expediting the implementation of more aggressive fund raising efforts.
- The Best Practices Review recommended partnering with Societies such as this to improve or expand the services offered to the community. This initiative fits with the Best Practices Review.
- Funds collected may be kept in a specific capital deposit account that could be used to expand the seniors' centre.

#### Cons

- The City can issue receipts for donations but the person making the donation must understand the gift is given without any conditions, promises or guarantees on behalf of the City. The City of Surrey Guidelines, *When to Issue Official Income Tax Receipts*, have incorporated the general rules of a gift or donation as defined by Canada Customs and Revenue Authority (CCRA) in Interpretation Bulletin #110 R3. These guidelines are outlined in Appendix D.

## CONCLUSION

The Newton Seniors' Society is seeking assistance from the City to receive donations for the purpose of building an addition onto the Centre. The Society is unable to issue tax receipts and has not been able to find a partner that can

assist them with this challenge. The City has the ability to receive donations and issue tax receipts. The Society understands and will ensure that every effort is made to inform donators of the CCRA regulations under which the donation is made.

At the Parks, Recreation and Culture Commission meeting of February 19, 2003 a motion was carried “*That Commission recommend to Council that the City support accepting donations from citizens that may be used for the upgrading of the Newton Seniors' facility.*”

There is no specific timeline as to when the Newton Centre upgrade will occur; it will be based on results of fundraising efforts and the City's capital budget process.

Umendra Mital, P.Eng

City Manager

EA:dlg

Attachments

## APPENDIX A

List of Society Directors

## APPENDIX B

Society Constitution

## APPENDIX C

Correspondence from Charities Directorate

## APPENDIX D

## City of Surrey Guidelines

### When to Issue Official Income Tax Receipts