



## **Fundraising Policy-DRAFT ONLY**

Operating costs of the Newmarket Public Library are provided for by grants from various levels of government and by revenues generated by the Library's activities. The Library may raise funds over and above these revenues to support projects that enhance the Library's services, as long as these funds are not intended to replace or reduce operating grants.

### **Definition**

Fundraising is defined as activities carried out by the Library to encourage or solicit voluntary monetary donations, or to sell goods or services, in order to support specified projects undertaken by the Library. This policy does not apply to the following:

- revenues the Library generates as a result of its operating activity (e.g. fines, fees)
- conditional monetary donations
- in-kind donations of goods or services
- sponsorship or advertising arrangements
- any other revenue directed in the annual budget to the general operating fund.

### **Identification of Projects**

The C.E.O. has the authority to designate a project or expenditure area as a beneficiary of fundraising. However, Library Board approval is required where the project is of a major capital nature or where required budgetary impacts exceed the C.E.O.'s authority level as set out in the Operating and Capital Financial Policy. It is the responsibility of the C.E.O. to ensure that funds raised are used for the identified purpose.

### **Budget impact**

A fundraising revenue target may be established by the Library Board as part of the annual budget process, with a concomitant increase in one or more expenditure lines where the funds are intended to be spent.

Funds raised in excess of, or in the absence of, a related revenue target may be spent by increasing the approved amount in the budget line identified as a beneficiary. Authority to increase the approved amount shall be determined in accordance with the Operating and Capital Financial Policy.

Unspent funds raised in any given year shall be transferred to the Fundraising Reserve at the end of that year.

## **Solicitation**

The beneficiary project or expenditure area shall be identified publicly to all potential donors as part of solicitation activities.

A fundraising activity may not involve a fee for goods or services the Library normally provides and/or is obligated to provide for free, nor may it involve a fee for a game of chance. It may involve a fee for goods or services provided specifically for fundraising purposes, or may involve suggesting a donation at the point of providing library services.

The Library may enter into an agreement for a third-party organization to raise funds on its behalf. Funds so raised may be transferred to the Library, or may be used in another manner that conforms to this Policy, as specified in such an agreement.

The Library shall be obligated to provide a receipt for income tax purposes upon request for individual donations of over \$20.00, minus the fair market value for any goods or services provided.

The Library may use information collected about donors only for those purposes authorized by the donor, including but not limited to income tax receipts, future solicitation, and providing information about Library activities.

## **Related policies**

Sponsorship and Advertising Policy

Donation Policy

Policy on Disposal and Donations of Library Materials

Newmarket Public Library By-Law 2004-1, *A by-law to regulate the budget process, to establish financial and accounting principles, to establish capital and operating budget control, and to establish reserves and reserve funds control.*