

APRIL 10, 2025

MAPLE VIEW LODGE COMMITTEE OF MANAGEMENT

REPORT NO. MVL-012-2025

MAPLE VIEW LANDINGS LEGACY FUND

**PAT HUFFMAN
TREASURER**

RECOMMENDATIONS

THAT the Committee of the Management recommends the establishment of a Maple View Landings Reserve Fund to be used as a legacy fund to enrich and enhance the resident's quality of life;

THAT a staff working group be formed to provide recommendations on how the funds could be distributed once the fundraising committee has reached its target; and

THAT the necessary by-law be prepared.

FINANCIAL IMPLICATIONS

Staff have estimated that at there will be monies remaining from the fundraising committees' efforts which could be used to fund the lifecycle replacement costs of the fundraised items or be drawn on to further enhance resident quality of life as needs and programs arise.

The financial implications will be different depending upon the direction provided to staff. Setting up a foundation requires the expertise of financial and legal professionals with costs estimates ranging from \$6,000 to \$15,000 based upon the complexity and an additional \$2,500 to incorporate the non-profit with charity status.

CLIMATE CHANGE IMPLICATIONS

Where possible reports are provided in a digital format to reduce the Counties carbon footprint.

ACCESSIBILITY CONSIDERATIONS

This report can be made available in alternate accessible formats on request. The United Counties of Leeds and Grenville makes every effort to provide services in a manner that is inclusive, to ensure accessibility barriers are reduced or eliminated where possible.

COMMUNICATIONS CONSIDERATIONS

Based on the direction provided to staff, this matter may require on going communication back to Council.

BACKGROUND

On March 7, 2024 at the Maple View Lodge Committee of Management Report No. MVL-007-2024 Use of G. Tackaberry and Family Home Fundraised Funds was presented and estimated that once the fundraising efforts are completed approximately \$800,000 will be available in surplus funds. Staff were also instructed to bring forward recommendations as to the possible establishment of a Maple View Landings Legacy Fund.

At Counties Council on March 21, 2024 the recommendation was approved with an added suggestion that staff also consider the possibility of creating a permanent foundation instead which could remove some of the responsibility from Counties Council and perhaps increase donations.

DISCUSSION/ALTERNATIVES

Registered charities in Canada are categorized into three designations. They are:

1. Charitable Organization
2. Public Foundation
3. Private Foundation

Charitable organizations must be established as a corporation, trust or under a constitution. It primarily conducts its own charitable activities and receives funding from various donors and more than 50% of its directors, trustees, or officials maintain arms-length relationships with the organization.

Public and private foundations must be established as corporations or trusts. Public foundations receive a greater portion of their financial support from the general public and they must distribute most of their funds to other charities or qualified donees. They are also typically governed by a board of directors and have more flexibility when it comes to grants, investments and public reporting.

Private foundations are typically established in situations where individuals or families with considerable wealth wish to create an ongoing charitable legacy during their lifetime and upon death. They are governed by the founders or a closely connected group of people and have stricter regulations regarding grants, investments and public reporting.

The next step in the process would be to apply for a registered charity status through the Canada Revenue Agency (CRA). This process involves providing comprehensive documentation and outlining the intended activities of the foundation. The CRA determines the charity's designation, whether it's a charitable organization, public foundation, or private foundation based on factors such as funding sources and operational goals.

There are several advantages and obligations that come with registered charity status. As a you are exempt from paying income tax, GST and HST, you are able to receive gifts from other registered charities and you can issue official donation receipts. The obligations include devoting resources to charitable purposes, maintaining control and direction of all resources, issue complete and accurate donation receipts, meet the annual spending requirements, maintain status as a Canadian legal entity and file annual information returns within six months of the fiscal year end.

Under section 149.1 of the *Income Tax Act* municipalities are defined as "qualified donees". This section allows a registered municipality or public body to issue official

donation receipts and are eligible to receive gifts from registered charities. This ability allows municipal governments to avoid having to create a registered charity and incur the initial set up costs or complete the required annual reporting.

Since the Counties already has the ability to issue tax receipts by virtue of the *Income Tax Act* the remaining issue is how will the donations and disbursements be managed once the fundraising committee winds down. MVL currently has an auxiliary which serves to provide and assist with activities and purchase items that prove beneficial to the life of the residents. There is a concern that the creation of a foundation will impede the auxiliary's ability to continue the important work they do and that the two entities will actually be in competition for fundraising dollars. The MVL Auxiliary has been a registered charity since 2003 and has the ability to issue donation receipts.

The goal of the legacy fund is similar to the auxiliary ensuring that the monies continue to be used to enrich and enhance the resident's quality of life. Once the fundraising efforts are completed staff recommend creating a separate Reserve Fund and transfer the monies in an interest baring account until the funds are needed. The Counties currently calculates interest semi-annually on the balance in the donation reserve but the creation of a separate reserve fund would automate that process.

A staff working group can be formed including representation from GTFH because they would have a better perspective of resident's needs. Formal requests will be made through the Committee of Management and then to Council for approval at which time the funds could be released. Annual financial reports can be prepared providing accountability while ensuring the Counties policies are followed.

An alternative approach could be to create a separate governance structure or standing committee comprised of staff and Council representation. Terms of Reference would need to be drafted and approved by the Committee of Management and recommendations can be brought forward to the Committee and then to Council for final approval. This option will require more administrative support from Counties staff.

ATTACHMENTS

Nil

The report set out above has been reviewed and the information verified by the individuals listed below.

**PAT HUFFMAN,
TREASURER**

**MARCH 18, 2025
DATE**

**ALISON TUTAK
INTERIM CHIEF ADMINISTRATIVE OFFICER**

**MARCH 18, 2025
DATE**