

## **Donation Account Review**

<b>Date:</b>	September 3, 2008
<b>To:</b>	Advisory Committee on Long-Term Care Homes and Services
<b>From:</b>	General Manager, Long-Term Homes and Services
<b>Wards:</b>	All
<b>Reference Number:</b>	

### **SUMMARY**

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Long-Term Care Homes and Services fundraising activities are immensely successful and the donation accounts have grown as a result of actively pursuing donations through various events and by fortuitous circumstances (bequests and estate fund redirection). As at June 30, 2008, the balance of Home donation accounts totalled \$1,926,263.00. Funds in the donation accounts are to be used to enhance the quality of life for residents.

Reviews of donation account receipts and expenditures are conducted regularly. In mid-2007, a more focused review was undertaken specifically to seek opportunities for consolidation and for development of a priority setting forum for expenditures, and to re-assess the financial spending authority limits.

#### **Financial Impact**

There are no financial implications to the operating budget arising from this report.

### **DECISION HISTORY**

On September 12, 1986, the Commissioner of Finance of Metropolitan Toronto granted the Homes for the Aged Division approval to establish donation accounts outside of the corporate central accounting system. The approval was contingent upon the implementation of jointly established controls for receipting and disbursing funds. All donation expenditures required prior approval of the Home Advisory Committee and stepped levels of spending authority between \$2,000.00 and \$5,000.00 were set. These spending limits and procedures have remained unchanged for 22 years.

## **ISSUE BACKGROUND**

Donated funds are deposited by the homes and Head Office into designated donation accounts which are maintained separate and apart from operating funds. These include, but are not limited to General Donations (includes undesignated funds), Toronto Challenge Donation Account, Volunteer Donation Account, and Spiritual Care Donation Account. All donations of minimum value are issued a thank you note and receipt in a format suitable for taxation purposes. Each year, one home is selected to host a gala event to raise funds for a specific project or activity; a separate donation account is opened for the purpose of tracking revenue and expenses for that specific event. In addition to these common accounts, a number of homes maintain a Staff Education Fund and three of the four homes operating an adult day program have an Adult Day Centre Donation Account.

The usual operating and maintenance expenses of the home are not paid with donation dollars. Donated funds augment government funding to enhance the quality of life of residents by funding special projects identified by residents, families, staff, volunteers or community members. Typical expenditures from the donation accounts include faith and cultural celebrations, plants, landscaping and gardening supplies, outdoor patio furnishings, aquariums, entertainment centres for resident common areas, musical entertainment, parties, and resident outings.

## **COMMENTS**

Arising from the recent in-depth review of the long-term care donation accounts, administrative improvements have been made. Each home is being asked to review all accounts with a view to close out latent accounts; the opening of new accounts will be limited, as funds, in most cases, are to be directed to existing donation accounts; and each donation account will have an identified staff lead assigned to monitor and manage its use.

As funds are raised for a specified purpose, a donor's expectation is to see those funds utilized within a reasonable time frame. In future, expenditure planning will be completed annually, whereby the Administrator, in consultation with the Home Advisory Committee, Residents' Council and volunteers will develop a multi-year plan that uses and/or designates at least 70 percent of all funds raised or held in the home's donation accounts. The anticipated future use of existing donated funds shall not exceed a 3 to 5-year period depending on the scope and nature of the planned project(s).

All expenditures from donation accounts must have prior endorsement of the Home Advisory Committee. Financial spending limits will increase from previous levels: the Administrator may approve requests up to \$3,000.00 (previously \$2,000.00); the General Manager or Director, Administration & Support Services may approve requests between \$3,000.00 and \$7,500.00 (previously \$2,000.00 to \$5,000.00); and the Advisory

Committee on Long-Term Care Homes and Services will be asked to endorse all purchases over \$7,500.00 (previously \$5,000.00).

Increased expenditure limits, together with the City-wide improved purchasing processes and a plan to guide the spending of donation account revenues will improve efficiency and use of the funds thereby enhancing and improving the quality of life for residents in a timely and accountable manner, while maintenance of a successful fundraising program will generate funds for future projects and future needs of the residents.

## **CONTACT**

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## **SIGNATURE**

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