



Building Rental Policy (Charitable Organizations)

Intent

Town of Thorsby rents out unused space to external organizations and internal parties from time-to-time. This policy provides guidelines to ensure that Town of Thorsby rents this space in accordance with the Canada Revenue Agency's guidelines so that it may maintain its status as a charitable organization.

Definitions

Related business – Businesses that are run substantially by volunteers; and businesses that are linked to a charity's purpose and subordinate to that purpose.

Use of excess capacity – Using a charity's assets and staff, which are currently needed to conduct a charitable program, to gain income during periods when they are not being used to their full capacity within the charitable program.

Source: [Canada Revenue Agency](#)

Guidelines

Provision and Administration of Space for Rental

All spaces offered for rent by Town of Thorsby must be linked to Town of Thorsby's charitable purpose and subordinate to that purpose in accordance with the Canada Revenue Agency's guidelines for related businesses.

Linked to Charitable Purpose

Spaces offered for rent by Town of Thorsby must meet all of the following criteria:

- The space must primarily be used for purposes directly related to the organization's charitable operations;
- The space must not be needed to fulfill the organization's charitable purposes for the period during which it is being offered for rent; and
- The rental must meet the Canada Revenue Agency's definition of "use of excess capacity."

Town of Thorsby will not purchase, rent, lease, or otherwise gain possession of any property for the primary purpose of renting out or otherwise generating income from the space in a manner that is not directly related to the organization's charitable programs.

Subordinate to Charitable Purpose

The administration of rental space by Town of Thorsby must not:

- Require a significant investment of the charity’s attention and resources;
- Operate as a stand-alone undertaking separate from the charity’s normal operations;
- Interfere with Town of Thorsby’s charitable goals; and
- Involve private benefit.

Rental Agreement

Prior to renting any room or building, Chief Administrative Officer will ensure that a rental agreement has been completed and signed by all parties specifying the terms and conditions of the rental of the space.

Acknowledgment and Agreement

I, _____(Name), acknowledge that I have read and understand the Building Rental Policy of Town of Thorsby.

Further, I agree to adhere to this policy and will ensure that employees working under my direction adhere to this policy.

I understand that if I violate the rules/procedures outlined in this policy, I may face disciplinary action.

Name: _____

Signature: _____

Date: _____

Witness: _____