

**DONATIONS**

**PURPOSE:** To establish policy and procedures for the solicitation and/or acceptance of or donations of supplies, materials, vehicles and equipment (collectively referred to as "property") made to the City or ~~for from~~ the City. A uniform set of procedures shall be followed in the acceptance of all-or donation of propertys. Proper approval shall be obtained prior to acceptance. All cash and ~~capital goods property~~ donated to the City shall be accounted for in accordance with the procedures set forth within this policy.

**POLICY:** (Ref. Government Code, Section 37354, Gifts and Bequests.) The City Council, or its designated representative, may accept or reject any gift made to or by the City for any public purpose. The City may utilize the gift as prescribed by the donor or, providing use of the gift or the income from it is not restricted, the gift may be used for any purpose that furthers City goals and objectives as stated at the time of acceptance.

(Ref. California Code of Regulations, Section 18944.2) A gift will be deemed a gift to a public agency, and not a gift to a public official, if all of the following requirements are met: (a) the agency receives and controls the payment; (b) the payment is used for official agency business; (c) the agency determines the specific official or officials who shall use the payment; and (d) the agency memorializes the payment in a written public record and the filing is done within 30 days of receipt of the payment by the agency.

**I. Definitions**

- A. Gifts: For purposes of this policy, the terms gift and donation shall be synonymous. Gifts may be a monetary contribution or a personal and real property item which the City has accepted, and for which the donor has not received anything of value in return from the City other than a tax benefit. Included within the scope of this policy are donations whereby a private business sponsors or co-sponsors an event on behalf of or in partnership with the City.

**II. Donations to the City**

- A. Responsibility: Responsibility for management of donations shall be decentralized. Each Department Head, with consent of the City Manager, shall have authority on behalf of the City to accept and authorize acceptance of donations in which the total value does not exceed \$3,000. All donations with value exceeding \$3,000 must be approved by City Council. The Finance ~~Director~~ Department shall be responsible for managing all donations of cash and for the accounting and inventory of all donated items.
- B. Solicitation of Gifts: The City Manager may authorize City staff to approach companies or organizations to request donation of goods, services, or funds to facilitate the achievement of identified City goals. Such solicitation shall be made only with the approval of the City Manager.
- C. Unsolicited Gifts: Unsolicited donations shall be accepted only if they have a valid use to the City.
1. Donors who wish to make a gift shall be referred to the appropriate department head. Those gifts not specific to a given department shall be referred to the ~~Finance Director~~ Chief Financial Officer.
  2. In the event that the offered item does not have any practical use for the department to which it has been presented, the donor shall be referred to the ~~Chief Financial Officer~~ Finance Director. If the gift may be of potential value, notice will be circulated to each Department Head to determine if it can be utilized elsewhere. The Donor will be notified ~~within two weeks~~ whether the City will accept the offered gift.

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3. If the item obviously has no use to the City or would be more effectively used elsewhere, the donor will be informed immediately and referred to an appropriate agency by the Chief Financial Officer~~Finance Director~~.
  4. Proof of Ownership: If there is a material question as to the legal ownership of the offered item, proof of ownership shall be requested. Such proof of ownership may include but not be limited to copy of purchase order, receipt for purchase, or signed affidavit verifying ownership.
  5. Donors shall be encouraged to place minimal restrictions on the use of a donated item, allowing the City as much flexibility as possible in determining its use and liquidation.
- D. Conditions for accepting/rejecting donations: Staff shall work with the donor to assure that restrictions are reasonable and do not leave the donor with unrealistic expectations regarding use or life of the donation (e.g., if a tree is donated it could die or be moved). The following are criteria which may be applied in determining if a donation is appropriate for acceptance:
1. Would use of the item be consistent with existing City policy?
  2. Would the maintenance or operating costs associated with the gift be excessive?
  3. Do proposed or imposed conditions or restrictions upon use of the item make it impractical to accept?
  4. Do proposed or imposed conditions or restrictions on disposition of the item make it impractical to accept?
  5. Is required accounting of acceptance or use of the item excessively burdensome?
  6. Would the item require extensive repair or maintenance, and if so, are City means readily available to do so?
  7. Does use of the item require the purchase of additional material or equipment to serve the purpose of the gift?
  8. Would acceptance of the item present a conflict of interest for the City or any of its employees? Regardless of the value of the donation, if the donor is a contractor, potential contractor or there is reason to believe there may be a conflict of interest, then the offer shall be referred to the City Manager who will determine if the gift will be accepted, rejected or submitted to Council for approval.

**III. Procedures**

- A. Non-monetary gifts valued at \$3,000 or less: Any single donation whose total value, as determined by the donor, is \$3,000 or less.
  1. A Donation Receipt Form will be completed when donations are received, with the form completed by City staff (Attachment I). A copy of the form will be provided to the donor, Department Head and the Finance Department~~The donor shall retain the white copy, the yellow copy shall be forwarded to the Department Head for filing, and the pink copy shall be transmitted to the Finance Department.~~ If the item is a capital asset (valued in excess of

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\$2,000 with at least a one year life), appropriate inventory and records shall be retained.

2. The City will not place any value on the gift for the donor. The donor shall provide proof of current market value. If real property is donated, a current appraisal report will be required.
3. The Department Head will promptly acknowledge each gift by letter, thanking the donor for the gift. Sample form letter (Attachment II) is included.
4. The ~~Chief Financial Officer Finance Director~~ shall be notified of the acceptance of any capital asset. Finance shall make the necessary entries on the respective accounts and property records to insure that the property is recorded to the account of the proper City program. This reporting must take place no later than 30 days after the receipt of the donated item.
5. If the gift is a capital asset of the type that is ordinarily handled by an asset manager, the recipient Department staff must collaborate with the appropriate asset manager before accepting the gift. Once received, for inventory purposes, the asset manager must also be notified that the gift is received.

**B. Non-monetary gifts valued at more than \$3,000:**

1. Any gift valued at more than \$3,000, as determined by the donor, cannot be accepted without City Council approval. Subsequent to Council's acceptance, procedures for acceptance of gifts in excess of \$3,000 shall be the same as those in Section A above.

**C. Cash Gifts:**

1. Depositing Cash Gifts: All cash gifts shall be deposited immediately with the Finance Department in accordance with the City's cash collection policy and procedure and shall be accompanied by the pink copy of the Donation Receipt. Cash donations shall be deposited in the appropriate restricted or unrestricted revenue account within the appropriate fund.
2. Restricted Cash Donations:
  - a. Donation Receipt: Restricted cash donations must be supported in Finance Department files by the Donation Receipt signed by the donor, which identifies the name of the donor, the amount and date of the donation, and the nature of the restriction.
  - b. Deposit of Restricted Cash Donations: Donations shall be deposited in a revenue account, which will be managed by the ~~Chief Financial Officer Finance Director~~. This fund shall be utilized by all depositing departments. Upon receipt of donated cash, the department shall submit a copy of the donation receipt form to the ~~Chief Financial Officer Finance Director~~ at which time an account number will be assigned to the donation.
  - c. Council Authorization: A request for authorization must be sent to City Council in the form of a budget adjustment and approved by the Council before a restricted cash donation is spent for its intended use (~~Attachment III~~). The Report to Council must state the name of the donor, the amount of the donation, the date the donation was received and the nature of the restriction. A copy of this report must be submitted to the ~~Chief Financial Officer Finance Director~~ to confirm expenditure

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authority.

- d. Procedures for Expending Donated Cash: The donation may be liquidated by the expending department when an approved purchase is made. Any over-expenditures will be charged to the department's operating budget. Funds shall remain in this account until they are entirely expended in accordance with the terms of the gift. If the funds are not expended as intended, they must be returned to the donor, or the donor must provide written authorization to expend the gift differently than the original purpose. A minimum of 90% of the donated funds must be utilized for the stated purpose. The remaining balance may be deposited into the General Fund for administration costs, once the purpose of the donation has been achieved.

~~e. Monitoring of Cash Donations: The City Council will receive periodic reports, not less than annually, from the Finance Director accounting for receipts and expenditures of donated funds.~~

3. Unrestricted Cash Donations: Unrestricted cash donations shall be deposited in an unrestricted revenue account in the General Fund.

~~D. Reporting of Donations: Within 30 days of the end of each quarter, the Finance Director shall submit a report to City Council that summarizes all donations received by each department during the prior fiscal year, with an estimate of the monetary value of the donations.~~

#### IV City Donations

- A. Donations made by the City shall be processed per City Policy 3.9, Surplus Supplies, Materials, Vehicles and Equipment.

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CITY OF MORENO VALLEY  
P.O. BOX 88005  
MORENO VALLEY, CA 92552-0805  
(909) 413-3000

**Attachment I**

**DONATION RECEIPT FORM**

Date \_\_\_\_\_

Donor \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**DONATION DESCRIPTION:**

CASH \_\_\_\_\_ (amount)      CHECK \_\_\_\_\_ (amount)      COMMODITY \_\_\_\_\_

Description (be specific) \_\_\_\_\_

\_\_\_\_ UNRESTRICTED  
\_\_\_\_ RESTRICTED (identify restrictions) \_\_\_\_\_

Total estimated value (estimated by Donor) \_\_\_\_\_

Received by: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature of City Employee/Department

Donor: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

***The contribution was classed and handled in the following manner:***

\_\_\_\_ Item was issued a City I.D. number and is located at \_\_\_\_\_

\_\_\_\_ Item has short life span. Not classed as a fixed asset.

\_\_\_\_ Unrestricted cash or check deposited in General Fund, account number \_\_\_\_\_

\_\_\_\_ Restricted cash or check placed in General Fund, account number \_\_\_\_\_ for use in \_\_\_\_\_

\_\_\_\_ Other (explain) \_\_\_\_\_

Finance Director signature \_\_\_\_\_ Date \_\_\_\_\_

**Thank you for your generous donation!**



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**Attachment III**

~~CITY OF MORENO VALLEY~~

~~Report to City Council~~

~~TO: \_\_\_\_\_ Mayor and City Council~~

~~FROM: \_\_\_\_\_~~

~~DATE: \_\_\_\_\_~~

~~SUBJECT: \_\_\_\_\_ Acceptance of Donation of (\_\_\_\_\_) from (\_\_\_\_\_)~~

**RECOMMENDED ACTION**

Staff recommends City Council (approve/reject) the donation described above.

**BACKGROUND**

The City's policy on acceptance of donation requires that the Council formally accept all donations whose estimated value is more than \$3,000. The \_\_\_\_\_ Department has received (\$ \_\_\_\_\_) or (name of item) from (individual or company). The express purpose of this donation is to \_\_\_\_\_. In addition, the donor has indicated the following restrictions on the disposition of the designated item: (if applicable)

**FISCAL IMPACT**

1. \_\_\_\_\_ (List the advantages, long term maintenance costs, etc.)

**ALTERNATIVES**

1. \_\_\_\_\_ (Council approve, reject, or request an alternative course of action.)

\_\_\_\_\_  
**Prepared By**

\_\_\_\_\_  
**Department Head Approval**

<b>Council Action</b>	
<b>Approved as requested:</b>	<b>Referred to:</b>
<b>Approved as amended:</b>	<b>For:</b>
<b>Denied:</b>	<b>Continued until:</b>
<b>Other:</b>	<b>Hearing set for:</b>