



Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Lisa Leach, Interim Finance Director
BY: Darron Usher, Principal Management Analyst
DATE: May 5, 2026
SUBJECT: Proposed Updates to the Donation and Sponsorship Policy

Description: This item provides an overview of revisions made to the City's Donation and Sponsorship Policy following direction received from the City Council during a March 17, 2026, Council meeting.

Background and Analysis:

At the March 17, 2026, City Council meeting, the Council provided direction to refine the City's Donation and Sponsorship Policy to ensure greater transparency, accountability, and alignment with the City's strategic priorities. Staff has since incorporated that feedback and prepared an updated policy for Financial and Audit Committee review.

The proposed revisions focus on strengthening internal controls, clarifying eligibility criteria, and ensuring that City resources are used in a manner that directly benefits the Beaumont community.

Key updates include:

- **Clear Distinction Between Donations and Sponsorships**
The policy now formally distinguishes donations (no exchange of value) from sponsorships (reciprocal benefit), ensuring appropriate treatment, documentation, and compliance.
- **Defined Acceptance Authority and Thresholds**
Updated approval thresholds establish clear authority levels for staff, the City Manager, and City Council, improving consistency and internal control over acceptance decisions.
- **Enhanced Conflict of Interest and Disclosure Requirements**
Additional safeguards have been incorporated to prevent real or perceived conflicts, including expanded donor disclosure requirements and restrictions on entities seeking City approvals or contracts.

- **Stronger Sponsorship Eligibility Criteria**
Sponsorships are now limited to nonprofit or qualifying organizations that demonstrate a clear public benefit. Requests for activities occurring outside City limits must include measurable benefits to Beaumont residents.
- **Standardized Application and Reporting Requirements**
A formal application process has been established requiring detailed program descriptions, budgets, and anticipated community impact. Post-event reporting is also required to ensure accountability for use of funds.
- **Prohibited Sponsorship Categories**
The policy now explicitly restricts sponsorships from entities that may conflict with the City's mission or create reputational risk, including industries such as tobacco, gambling, and adult-oriented businesses.
- **Clarified Use of Funds and Performance Expectations**
Sponsorship agreements must now include defined deliverables, reporting requirements, and measurable outcomes to ensure funds are used as intended.
- **Improved Administrative Procedures and Documentation**
The policy establishes clear procedures for evaluation, acceptance, tracking, and reporting of donations and sponsorships to ensure audit compliance and transparency.

Overall, the revisions are intended to provide clearer guidance to staff, reduce ambiguity in decision-making, and ensure that all sponsorships and donations deliver a direct and measurable benefit to the City.

The Donation and Sponsorship Policy was posted to the Financial and Audit Committee meeting on April 27, 2026, but due to a lack of quorum, the item was not discussed.

Fiscal Impact:

The estimated cost of preparing this staff report is \$300.

There is no direct fiscal impact associated with this item. The policy updates are administrative in nature and are intended to improve financial oversight and accountability related to incoming donations and sponsorship funds.

Recommended Action:

Adopt the approved changes to the Donation and Sponsorship Policy; or

Provide changes and feedback to staff to incorporate into the policy and adopt the changes.

Attachments:

- A. Proposed Policy Changes (Redlines)
- B. Proposed Policy Changes (Clean)