

DONATION ACCEPTANCE POLICY

Approved 12/03/2024

PURPOSE

The purpose of this document is to establish a policy that is consistent with the City's strategic goals for actively seeking sponsorships and donations- in a transparent and accountable manner from individuals, community groups, charitable organizations, and businesses who wish to make sponsorships and donations to the City of Beaumont. Additionally, this policy will ~~provide~~ provide uniform criteria and procedures to guide the ~~evaluation~~ review and acceptance of such sponsorships and donations, confirm that the City has adequate resources to administer sponsorships and donations, and ensure that the City appropriately acknowledges the generosity of the donor.

This Policy is intended to (1) protect the integrity of City decision-making, (2) reduce actual or perceived conflicts of interest, (3) ensure consistent documentation and valuation of in-kind contributions, and (4) ensure sponsorship recognition practices do not create unintended endorsements or obligations.

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DEFINITIONS

Donation or Gift shall mean a monetary contribution, personal property, real property, equipment, tangible items, in-kind contributions (including goods and services), or any other asset that the City has accepted and for which the donor has not received any legal consideration in return. For purposes of this Policy, the terms "donation" and "gift" shall be synonymous. Donations do not include grants, contracts, or sponsorships involving a reciprocal exchange of value.

Donor shall mean a person or legal entity that proposes or provides a donation to the City.

Endowment shall mean monetary donations that are restricted by the respective donor to the extent that only earnings, and not principal, may be expended by the City for the donor's designated or intended purposes. Such donations are restricted donations in the sense that the donor-specified purpose is to preserve the purpose of the initial donation.

In-kind donations shall mean a non-cash contribution of goods, services, labor, or other tangible or intangible assets made to the City for which no legal consideration substantial return benefit is has been provided.

Restricted Donation shall mean monetary donations whose expenditure is restricted to a Donor-specified purpose, which may identify a particular City department, program, project, or other purpose as the beneficiary of the donation. For example: such donations may include the funds directed to support a public art initiative or to support construction of a skate park.

Sponsorship shall mean a business relationship in which a sponsor provides financial or in-kind support in exchange for defined promotional, marketing, or recognition benefits pursuant to a written agreement. Sponsorships are not donations and involve a reciprocal exchange of value. ~~a business relationship where one party (the sponsor) provides financial support, goods, or services to another party (City event or program) in exchange for specific promotional benefits.~~

Unrestricted Donation shall mean a donation made to the City by a donor without any limitations or restrictions being placed upon its use.

GENERAL GUIDELINES

1. Donations do not become the property of the City until accepted by the City in a manner consistent with this Policy. The City may decline any proposed donation or sponsorship in whole or in part, and no donor or sponsor may rely on a proposed donation or sponsorship as creating any entitlement, preference, or commitment by the City unless and until formally accepted in writing.

2. In the event that any City employee, volunteer, or elected official is offered a restricted donation on behalf of the City, that City employee, volunteer, or elected official shall direct the donor to provide such restricted donation directly to the Finance Department for processing. The Finance Department shall notify the City Manager's Office immediately with receipt of donation.

3. ~~The City Manager's Office shall be responsible for authorizing acceptance of restricted donations. The City Manager's Office shall be responsible for authorizing acceptance of restricted donations up to \$. Restricted donations exceeding \$ shall require City Council Approval.~~

4. In the event that any City employee, volunteer, or elected official is offered an unrestricted donation, they may receive the donation on behalf of the City and are required to bring the donation to the Finance Department for deposit.

5. In order to efficiently accept, expend, and account for funds donated to the City:

a. The City Manager's Office shall be responsible for authorizing acceptance of unrestricted donations up to the amount of \$30,000 (or equivalent value), except in the case of donations made towards the City's K9 program, with which those donations are automatically accepted.

b. The City Council shall be responsible for authorizing acceptance of unrestricted donations exceeding the amount of \$30,000 (or equivalent value).

6. All donations will be evaluated by the City prior to acceptance to determine whether the donation is consistent with the corresponding department or program's mandate; is in the City's best interest; and is consistent with applicable City laws, policies, ordinances, and resolutions, but not limited to the following criteria:

- a. Consistency with the City's strategic goals and adopted plans;
- b. The financial and operational impact ~~to~~ on the City, including any initial, ongoing, or long-term maintenance, staffing, or replacement obligations;
- c. Whether acceptance of the donation would require expenditures or commitments not currently included in the City's adopted budget;
- d. Public perception, transparency considerations, and potential reputational risk to the City;

Commented [AG1]: NEW structured thresholds: Donation Acceptance Authority:
•Up to \$10,000: Department Director (or designee)
•\$10,001 – \$50,000: City Manager
•Above \$50,000: City Council

Commented [AG2R1]: Based on Riverside

Commented [AG3]: Check if this is normal and what thresholds should be used.

e. Compliance with all applicable federal state, and local laws, regulations, and reporting requirements; and

f. Whether the donation creates any actual or perceived conflict of interest or undue influence.

g. Whether the donation includes restrictions, conditions, or naming/recognition requests that the City cannot or should not accept.

h. Whether the donation would create disproportionate administrative burden relative to the public benefit.

i. Whether the donation consists of items or services that are unsafe, unlawful, impractical to use, or incompatible with City standards.

7. The City has no obligation to accept any donation proposed by a donor. The City reserves the right to decline any donation if, upon review, acceptance of the donation is determined in the sole discretion of the City to not be in the best interests of the City.

8. The City does not provide legal, accounting, ~~tax~~, or other such advice to donors. Each donor is ultimately responsible for ensuring the donor's proposed donation meets and furthers the donor's charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any donation to the City.

9. On behalf of the City and depending on the amount of an individual donation, the City Manager, or the City Council must determine whether an expenditure of City funds, either a direct outlay of City funds or the use of City employees and materials, is associated with or ~~required~~ required by acceptance of that individual donation prior to acceptance.

10. The donation must be used for official City business, and not for political activities or other personal business. Donations may not confer ~~a personal~~ personal benefit to any City employee or City official.

11. No undue public benefit or similar advantage is to accrue to the donor or to any person affiliated with, related to, or closely connected to the donor because of the donation.

12. A donor may restrict a donation for a particular City department, ~~location~~ location, or purpose, but not designate the City official who may use the donation.

13. If required, the City will report a donation made to the City to the Fair Political Practices Commission (FPPC) in accordance with the timelines and directives described in title 2, section 18944 of the California Code of Regulations.

14. If a donation to the City is made at an elected City official's behest from a single source in a calendar year, and the donation meets or exceeds the amount established by the FPPC, the elected City official must file a FPPC Form 803 with the City Clerk disclosing this information.

15. The City department or office administering the donation is responsible for acknowledging receipt of and thanking, on behalf of the City, the donors of donations.

16. The City shall comply with all applicable laws and regulations of the Internal Revenue Service regarding the acceptance of donations.

17. The City department or office administering the donation shall work with the Finance Director or his or her designee to determine the appropriate accounting for the donation.

18. Donors are required to advise the City if the donor is making a donation to the City on a date that falls within ninety (90) days from when the donor, or the donor's organization or company, was, is, or plans to be involved with an application for a City permit or planning approval or with responding to an active City solicitation for goods and/or services. The City reserves the right to delay or decline acceptance of such donations to avoid any actual or perceived conflict of interest.

Commented [NW4]: This acknowledgement needs to be added to the donation form.

19. The City shall not accept donations or sponsorships from any individual or entity where acceptance could create a conflict of interest, the appearance of impropriety, or compromise public trust. This includes, but is not limited to: (i) Entities currently seeking City approvals, permits, or contracts; and (ii) Entities engaged in litigation with the City.

20. Acceptance of a donation or sponsorship does not constitute endorsement by the City of any donor, sponsor, product, service, or viewpoint.

21. Donations to the City are made without the receipt of goods or services of equal or greater value in return. Any arrangement involving reciprocal benefits shall be treated as a sponsorship and must be governed by a written agreement in accordance with this Policy.

22. The City shall not assign or certify the value of any donated property or in-kind contribution for tax or other purposes. Any valuation provided by the donor is subject to independent review by the City for internal accounting and reporting purposes.

POLICY

Unrestricted Donations of Monetary or Tangible Items

All donations to the City shall immediately be submitted for consideration for acceptance. City staff shall ~~evaluate~~review every donation and determine if the benefits to be derived warrant acceptance of the donation.

A. Unrestricted monetary donations will be deposited into the City's Other Special Revenue Fund.

Council Notification: The Finance Department shall notify the City Council on an annual basis of all accepted and rejected monetary donations received and processed.

Restricted Donations of Monetary or Tangible Items

The City Manager's ~~Office~~Office, with the support of the Executive staff will determine whether to accept or reject the donation based on whether the donation:

- is in the City's best interest and is consistent with applicable City ordinances, resolutions, and policies;
- has any special restrictions and if ~~so~~,if so if those restrictions are acceptable to the City;
- obligates the City to make an immediate or initial City expenditure which has not been included in the approved City budget; or
- creates a new, one-time or an on-going general maintenance obligation for the City.

Donations of Real Property

The City Council shall be responsible for authorizing acceptance of donations of real property.

The City Manager's Office shall administer the donation of real property, in conjunction with any other City departments deemed appropriate.

Donations of Trust and Endowment Funds

The Finance Department shall administer donations of trust and endowment funds in accordance with Generally Accepted Accounting Principles applying the relevant Governmental Accounting Standards Board pronouncements.

In general, endowments exist to invest resources for the purpose of generating income. As such, in order for a donation to be considered for the establishment of an endowment fund at the request of the donor, the City in its sole discretion shall apply minimum dollar amount thresholds in keeping with the best interests of the City.

Sponsorships

~~City sponsorships must align with the agency's mission and will be presented and evaluated in a non-discriminatory manner. City's decision to accept sponsorships shall be in its sole discretion. City sponsorships must align with the agency's mission and strategic goals, and provide a clear direct benefit to the Beaumont residents, businesses, or community of the City of Beaumont and evaluated in using a viewpoint-neutral, non-discriminatory manner. The City will not condition sponsorship decisions on the viewpoint, message, or identity of a sponsor, except as necessary to ensure compliance with applicable law and this Policy.~~

~~Participation in a City sponsorship shall not provide, or be perceived to provide, any unfair competitive advantage to a sponsor in connection with any City procurement process, contract award, regulatory decision, permit, or other governmental action. Sponsors shall not reference or use their sponsorship relationship with the City in a manner that suggests preferential treatment in any City decision-making process.~~

~~The City will ensure that all sponsorship opportunities are publicly advertised and accessible to a wide range of potential sponsors. The City shall prioritize sponsorships that primarily serve or are conducted within the City of Beaumont. Sponsorship requests for programs, events, or services occurring outside of the City must demonstrate a substantial and measurable benefit to Beaumont residents to be considered. For any program, event, or service occurring outside City limits, the applicant must provide a written benefit statement and measurable metrics (e.g., number of Beaumont residents served, outreach plan targeting Beaumont residents, or other objective indicators) sufficient for staff to evaluate local benefit.~~

Commented [AG5]: Duplicated below

~~Sponsorship agreements shall be documented in a written contract setting forth the respective terms, benefits, and obligations of the parties. Sponsorship funding shall be limited to organizations recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code, or other qualifying nonprofit status, as well as to organizations that demonstrate a clear public benefit and do not confer private commercial gain, as determined by the City in its sole discretion. Applicants shall provide proof of nonprofit status at the time of application. Sponsorship agreements should be formalized through written contracts that outline the terms, benefits, and obligations of both parties. Sponsorship funding shall be limited to organizations that are recognized as nonprofit entities under Section 501(c)(3) of the Internal Revenue Code or other qualifying nonprofit status, as determined by the City. Proof of nonprofit status shall be required at the time of application.~~

~~The City shall not enter into sponsorship agreements with any individual or entity that, as determined in the City's sole discretion:~~

- ~~• Derives a substantial portion of its revenue from the sale or promotion of alcohol, tobacco products, firearms or weapons, gambling activities, or sexually explicit or adult-oriented materials or services;~~
- ~~• Would create an actual or perceived conflict of interest, impair the City's impartiality, or otherwise be inconsistent with the City's ethical obligations or public trust; or~~
- ~~• Is otherwise inconsistent with the City's mission, values, or the public health, safety, and welfare of the community.~~

The City will ensure that all sponsorship opportunities are publicly advertised and accessible to a wide range of potential sponsors.

All sponsorship requests shall be submitted through a standardized application process established by the City, which shall include, at a minimum:

- Description of the event, program, or service
- Location and service area
- Number and percentage of anticipated Beaumont residents served
- Detailed budget and intended use of City funds
- Description of community benefit to the City of Beaumont
- Proof of nonprofit status

Sponsorship agreements should be formalized through written contracts that outline the terms, benefits, and obligations of both parties.

All sponsorship agreements shall clearly define performance expectations, including deliverables, reporting requirements, and any recognition or benefits provided to the City.

Sponsorship revenues must be used in accordance with applicable laws, budgets, and restrictions, and should support the intended program, event, or service.

Sponsorship revenues must be tracked in a manner that allows the City to demonstrate use consistent with any donor-imposed restrictions accepted by the City and any City-imposed conditions of acceptance.

Sponsorship funds shall not be used for purposes that do not directly align with the approved scope or that primarily benefit individuals or populations outside of the City of Beaumont without demonstrated local impact.

Any material change in scope or use of funds must be reviewed and approved through the City's established administrative procedures prior to expenditure.

The sponsorship will be deposited with the Finance Department and accounted for in accordance with Generally Accepted Accounting Principles.

If sponsorship involves programs funded by federal or state grants, the city will comply with additional regulations such as the Uniform Guidance for federal funds, to ensure no conflicts with grant conditions or objectives.

Approval Authority and Limitations

- City Council approval shall be required for all sponsorships exceeding \$[insert threshold, e.g., \$10,000].

- The City Manager or designee may approve sponsorships up to \$[insert threshold] within the adopted budget.
- All sponsorships are subject to available appropriations and are considered one-time contributions unless otherwise approved by the City Council.

Reporting and Accountability

- All recipients of City sponsorship funds shall provide a post-event or post-program report summarizing outcomes, including:
 - Number of participants served
 - Estimated number of Beaumont residents served
 - Use of funds
 - Description of community impact
- Failure to provide required reporting may result in:
 - Ineligibility for future sponsorship funding;
 - Disqualification from future sponsorship funding
 - Termination of the sponsorship agreement
 - Repayment of funds

~~Sponsorship revenues must be used in accordance with applicable laws, budgets, and restrictions, and should support the intended program, event, or service.~~

PROCEDURES

The City Manager, or designee, shall establish and maintain administrative procedures consistent with this Policy to ensure the efficient, transparent, and compliant processing of all donations and sponsorships.

Such procedures shall include, but are not limited to, the following:

a. Processing and Evaluation: Procedures for receiving, documenting, and evaluating proposed donations and sponsorships, including coordination among relevant City departments;

b. Valuation of Contributions: Standards for determining and documenting the fair market value of monetary and in-kind contributions, including goods, services, and other non-cash items;

c. Legal, Financial, and Operational Review: Review protocols to assess legal compliance, financial implications, budget impacts, maintenance obligations, and operational feasibility associated with acceptance;

d. Approval Routing and Documentation: Clearly defined approval processes, including required levels of review and authorization, and documentation standards to ensure accountability and audit compliance;

e. Acknowledgment and Reporting: Procedures for formally acknowledging donations and sponsorships, maintaining records, and preparing periodic reports to the City Council or other governing bodies, as applicable; and

f. Recordkeeping and Transparency: Requirements for maintaining complete and accurate records of all donations and sponsorships in accordance with applicable laws, including public records and reporting obligations.

g. Written Acceptance/Conditions: A requirement that acceptance be documented in writing, including any conditions, restrictions, or required deliverables associated with the donation or sponsorship.

h. Return/Refund/Rescission: Procedures for declining, returning, or unwinding donations or sponsorships (including in-kind items) when acceptance is not in the City's best interest, when conditions cannot be met, or when legal or ethical concerns arise.

i. Sponsorship Recognition Standards: Standards governing acknowledgements (e.g., signage, announcements, naming recognition), including content review, duration, placement, and disclaimers to avoid implied City endorsement of a sponsor's products, services, or viewpoints.

j. Agreement Requirement: When sponsorship involves deliverables, marketing benefits, or ongoing obligations, require a written sponsorship agreement specifying scope, term, payment/in-kind value, deliverables, reporting, termination, and remedies.

City of Beaumont Donation Acknowledgement Form

Finance Department

550 E 6th St

Beaumont, CA 92223

Phone: 951-572-3236

DONOR INFORMATION

Company/Individual:

Contact person:

Address:

City/State/Zip:

Phone: Email:

DONATION INFORMATION

Amount of Monetary Donation:

Stated Purpose for Donation:

Description of Gift or In-Kind Donation:

Donor-estimated fair market value (the City reserves the right to independently review and verify the reported value and does not warrant or guarantee such valuation) Valuation of Gift or In-Kind Donation:

Any Donor-Specified Restrictions on the Use of the Donation:

No goods or services were provided by the City in exchange for this donation, unless otherwise expressly set forth in a written sponsorship or other agreement approved by the City.

Donor Signature: Date Accepted: Signature of City Representative:

DONOR DISCLOSURE (REQUIRED)

Is the donor currently seeking, or has the donor sought within the past twelve (12) months, any City permits, approvals, entitlements, contracts, or other discretionary actions?

YES NO

If yes, please describe:

Is the donor, or any officer, director, partner, principal, or agent of the donor, currently seeking or has sought within the past twelve (12) months any City permits, approvals, entitlements, contracts, claims, enforcement outcomes, or other discretionary actions?

Has the donor used any intermediary, consultant, or affiliated entity in connection with this donation or sponsorship? If yes, identify the intermediary/affiliate and describe their role.

Donor Attestation: The donor certifies that the information provided is true and complete to the best of the donor's knowledge and understands that the City may decline or return a donation or sponsorship based on this disclosure or other criteria in this Policy.

Thank you for your donation to the City of Beaumont.

The City Manager's Office/Finance Department will be in touch with you shortly.

Your generosity is appreciated.