




## POLICY AND PROCEDURE

<b>Subject:</b> Guidelines for the Acceptance of Donations, Sponsorships, & Gifts	<b>Index:</b> Financial Services  <b>Number:</b> 204-5
<b>Effective Date:</b>	<b>Prepared By:</b> Beaches, Parks and Recreation
<b>Supersedes:</b> Not Applicable	<b>Approved By:</b> 

### 1.0 PURPOSE:

The purpose of this policy is to establish a formal process for the acceptance and documentation of donations made to the City and its partners, as established in Policy No. 204-1. This policy provides guidance when individuals, community groups, businesses or commercial agencies wish to make a donation to the City, by way of sponsorship or in-kind donation. This policy encourages and supports departments in the development of revenue generation and Fundraising and Sponsorship efforts that are consistent with existing City policies, procedures and applicable laws.

### 2.0 ORGANIZATIONS AFFECTED:

All City departments.

### 3.0 REFERENCES:

City of San Clemente Policy and Procedure No. 204-1

### 4.0 POLICY:

- 4.0.1 It is the desire of the City of San Clemente to encourage and support individual Departments to pursue Donations, Sponsorships and other Fundraiser events with the purpose of creating opportunities for enhancing revenue for department priorities. Individual Departments, through the approval of the City Manager and/or City Council, shall develop Sponsorship and Fundraising programs that meet the requirements set forth in this Policy.
- 4.0.2 With all donations, sponsorships, and gifts, the City reserves the right to consider the public trust and decline donations from entities whose purposes are inconsistent with the City's goals, objectives or best interests.

### 5.0 DEFINITIONS:

- 5.0.1 Donor: A "Donor" is a company, organization or individual who provides the City, or one of the City departments, an item or service without expectation of significant return or recognition.
- 5.0.2 Donation: A "Donation" to the City means a person or entity providing the City with financial support or property of a value exceeding the City's payment for such item. A Donor typically does not expect to receive a substantial return or recognition from the City in return for the Donation. A Donation may consist of cash, real property (land) or an in-kind Donation. Donations may be unrestricted or restricted by the Donor.
- 5.0.3 Fundraiser: A "Fundraiser" is any activity conducted with the intent of soliciting Donations, Sponsorships or other financial contributions to the City or to a particular Department of the City. Fundraisers may include, but are not limited to, foundations or funding agencies, endowment programs, pledge drives, and contacting individuals, companies, foundations, or other entities with the primary purpose of receiving financial support for the City.
- 5.0.4 In-Kind Contributions: A contribution of an item or object other than cash or real property, which would serve a useful purpose in the provision of City services.
- 5.0.5 Restricted Donation: A "Restricted Donation" is a Donation made to the City or its partners where the Donor has restricted its use to a specific purpose.
- 5.0.6 Sponsor: A "Sponsor" means a company, organization or individual who provides the City with funding support for a program, activity or facility in the form of a Sponsorship, and who expects significant recognition in return.
- 5.0.7 Sponsorship: A "Sponsorship" typically means a person or entity that provides the City with financial support for an activity, City program or City facility, typically in exchange for the City providing more than nominal recognition of its financial support, which distinguishes a Sponsorship from a Donation. Financial assistance provided by a Sponsor may consist of cash and/or in-kind contributions.
- 5.0.8 Sponsorship Agreement: A "Sponsorship Agreement" is a negotiated agreement between the City and a company, organization or individual whereby the City makes a Sponsorship opportunity available and enters into an agreement with a company, organization or individual to pay a fee in cash, products, services or a combination thereof, for recognition rights related to certain identified City-owned commercial or marketable assets. A Sponsorship Agreement may permit a limited form of advertising opportunity for a company, organization or individual in exchange for the fee paid to the City, subject to the terms of this Policy and subject to the approval of the City Manager and the City Attorney's Office.
- 5.0.9 Unrestricted Donations: A Donation made to the City where the Donor has placed no limitation on its use.

## 6.0 **PROCEDURE:**

6.1 Guidelines for Determining Donation, Sponsorship, and/or Fundraiser Activities

Individual departments shall develop Donation, Sponsorship, and/or Fundraising programs which shall be approved by the City Manager. In its simplest form, a Department program may consist of a memorandum to the City Manager indicating the following:

- a. Goal of the sponsorship, donation, and/or fundraising activities;
- b. Timeframe for the program;
- c. Target audience and method of outreach; and
- d. Procedure for acceptance and reporting of activities, ensuring internal controls.

6.2 Consistency with City Interests

Designated Donations, Sponsors, or Fundraiser Activities may only be accepted when they have a purpose consistent with the City's goals and objectives and are in the best interest of San Clemente. The City must always consider the public trust and comply with all applicable laws when accepting donations. Organizations that qualify for and receive a discount for use of a City facility through an established Partnership Agreement will not be eligible to receive any fee waiver or subsidy if they accept donations or sponsorships from an organization which is in current litigation with the City.

6.3 Sponsorship Agreements

After the selection of a Sponsor by the City Council, City Manager or Department Head, as appropriate, the terms of the Sponsorship, including any expectation of a significant return or recognition, shall be set forth in a written Sponsorship Agreement approved as to form by the City Attorney, as needed.

6.4 Donation Acceptance Guidelines

The acceptance of all donations to the City will be based on the following guidelines:

- a. Purpose of Donation.
- b. Community or municipal need for the Donation.
- c. Compatibility of the Donation with San Clemente Municipal Codes, Policies, and other applicable laws.
- d. Timeliness of the Donation as it relates to implementation.
- e. Level of benefit and financial impact to the City.

6.5 Procedure for Accepting Major Donations

6.5.1 For all donations provided to the City, a Donation Acceptance Form (attached) is required to be completed by the receiving Department Director or the City Manager's Office.

- 6.5.2 Acknowledgment of the donation should be in writing and be the responsibility of the Department Director who is the beneficiary of the donation. Unrestricted donations shall be acknowledged by the City Manager. A copy of the acknowledgement should be forwarded to the donors.
- 6.5.3 For all major donations (Section 6.5.4), a staff report, containing analysis based on the donation acceptance guidelines established in this Policy, will be written to guide the City Council when considering major donations. The City Council will determine on a case by case basis if the donation should be accepted or rejected.



# CITY OF SAN CLEMENTE DONATION ACCEPTANCE FORM

(Policy No. 204-\_\_\_)

Name of Donor:

Address:

Description of Donation:

Donation Value:

Intended Use:

Conditions of Acceptance or Donor Designation:

Additional Remarks:

City Department Receiving Donation:

## APPROVALS

Approved

Denied

Department Director Signature

Date

Approved

Denied

City Manager Signature

Date

Approved

Denied

City Council Approval

Date

*Note: The City of San Clemente cannot guarantee the future funding for repair, maintenance, use or replacement of donated items.*