



# City of Gilroy

## STAFF REPORT

**Agenda Item Title:** City of Gilroy Donation and Fundraising Policy  
**Meeting Date:** January 8, 2024  
**From:** Jimmy Forbis, City Administrator  
**Department:** Administration  
**Submitted By:** Bryce Atkins, Assistant to the City Administrator  
**Prepared By:** Bryce Atkins, Assistant to the City Administrator

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### **STRATEGIC PLAN GOALS**

Develop a Financially Resilient Organization

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### **RECOMMENDATION**

Council review and provide direction regarding the draft Donation Policy.

### **EXECUTIVE SUMMARY**

To aid the City and its commissions to effectively fundraise in a legally and operationally compliant manner, a donation and fundraising policy is needed. The attached Gilroy Donation and Fundraising Policy (Policy) is in draft form. It outlines the requirements and procedures surrounding soliciting donations, receiving donations, providing recognition to donors, and how to properly document and process receipts for donations. The Policy also outlines procedures on how to set-up and request approval of a fundraising campaign. Staff is bringing the draft Policy to Council for any direction regarding the policy before returning to Council at the next meeting for adoption on the Consent Calendar.

### **BACKGROUND**

Per the City Charter, the Arts and Culture Commission (ACC) is tasked with conducting and managing fundraising for arts and culture activities in and for the City of Gilroy (City Charter Section 909(C)). Additionally, there may be times when the City may seek or receive donations from private persons, businesses, organizations, and others. The City currently does not have a policy in place regarding how to conduct fundraising, nor to receive and process donations. Additionally, other commissions, such as the Parks and

Recreation Commission (PRC), may also wish to fundraise for projects and programs for which they help advise.

## **ANALYSIS**

Attached to this staff report is the draft Policy for Council review and to provide direction regarding any requested changes to the policy that are desired. The policy was pulled from policies that exist in other cities and then modified where needed to meet Gilroy's current structure and practices.

The draft policy has undergone review and modifications by the City Attorney's Office, as well as the Finance Department. The key provisions of the draft policy are identified below.

The draft policy:

- Identifies requirements for accepting donations. Some of these requirements include but are not limited to donations being consistent with City goals and objectives; must not conflict with law; does not provide any restrictions except those pre-approved by the City; appropriate recognition and acceptance based on value of the donation; and compliance with the Public Records Act.
- Outlines the procedures for accepting donations, and details information required to document the donation, the issuance of a receipt, and reporting to the appropriate level based on the amount of the donation.
- Discusses the need and requirements for fundraising programs, including the requirement to develop a plan which must be approved and include such information as the goal of the sponsorship, donation, and/or fundraising activities; target audience and method of outreach; and procedure for acceptance and reporting of activities, ensuring internal controls.
- Contains information about sponsorship agreements and naming rights.
- Lists cost, accounting and record keeping requirements for City staff to follow.
- Discusses special considerations for Real Property and works of art donations.
- Includes miscellaneous provisions and disclaimers, such as the City assuming no requirement of upkeep for materials donated; not guaranteeing the tax deductibility of a particular donation; and City employees with enforcement or regulatory authority (police, fire, inspectors, code enforcement officers) may not solicit donations in uniform.

## **Commission Reviews and Recommendations**

The draft Policy has been presented to both the ACC and the PRC. Both commissions have approved their respective recommendations to the City Council to adopt the draft policy which is attached. Neither commission requested nor recommended any changes to the draft policy.

## **ALTERNATIVES**

Council may provide direction to modify the draft policy.

**FISCAL IMPACT/FUNDING SOURCE**

None. There are no costs associated with this agenda item. In general, fundraising is performed to generate revenue, however some costs may be incurred but most likely absorbed in existing budget appropriations for the department or board/commission.

**PUBLIC OUTREACH**

The draft policy has been presented to the ACC on October 10th and December 12, 2023, and to the PRC on October 17 and November 21, 2023, at their regular public meetings. Additionally, this item was included in the publicly posted agenda for this meeting.

**NEXT STEPS**

Once direction is received, staff will make any final modifications to the policy and return the policy for approval to the following Council Meeting's consent calendar for adoption.

**Attachments:**

1. Draft Gilroy Donation and Fundraising Policy