

# CITY OF SAN ANTONIO



<b>Administrative Directive</b>	<b>AD 8.8 Donations &amp; Contributions</b>
<b>Procedural Guidelines</b>	Guidelines to ensure consistent citywide processing of donations and contributions.
<b>Department/Division</b>	Finance Department, General Ledger
<b>Effective Date</b>	March 1, 2007
<b>Revision Date</b>	July 1, 2010
<b>Project Managers</b>	Melanie Seale, Controller Tom Schmidt, General Ledger Manager

## Purpose

The purpose of this Administrative Directive (AD) is to establish standard procedures and guidelines for accepting **donations** and **contributions** and for appropriating expenditures funded by these revenue sources.

## Policy

The City Manager has the authority to receive donations and contributions on behalf of the City without prior City Council approval, subject to the provisions contained in this AD, the City Charter, or any other applicable law or regulation. The City Charter requires City Council approval, by ordinance, to appropriate funds or to authorize contracts.

The City Manager, by executing the AD, hereby designates authority to the Department Directors to accept donations and contributions, subject to the conditions herein.

City Council shall ratify the appropriations for the donations and contributions on an annual basis. Contracts for goods received and/or services performed, will additionally be appropriated and authorized when successfully presented for approval at City Council Meetings held during the year.

## Policy Applies To

This administrative directive applies to all employees who are responsible for performing fiscal operations described herein. This may include, but is not limited to, staff who receive, monitor, negotiate, spend or record the activities associated with donations and contributions; lead departmental fiscal staff; management of the Finance and departments receiving the donation or contribution; and other departmental staff deemed necessary by the lead fiscal staff.

## Definitions

<b><u>Appropriation</u></b>	Authorizing the expenditure of public funds for a specific purpose within a current fiscal year prior to spending.
<b><u>Contribution</u></b>	A gift in either the form of cash or goods or services received that has been given to the City for a <u>specific</u> purpose.

<b><u>Donations</u></b>	A gift in either the form of cash or goods or services received that has been given to the City for a <u>general</u> purpose.
<b><u>Endowment/Fund</u></b>	An account or fund created for the receipt and tracking of contributed funds where the contributor has specified that the contribution is to be held in perpetuity. The contribution (principal) is unexpendable and is invested to produce earnings that are generally available for use as specified by the contributor.
<b><u>Ratify/Ratification</u></b>	To approve or authorize expenditures to be spent after incurred. Approval is determined by City Council.
<b><u>Real Property</u></b>	Land that may or may not have buildings on it.
<b><u>Undesignated Fund Balance</u></b>	Balance remaining in a fund after all reserves and commitments have been considered.

## **Policy Guidelines**

<b><u>Acceptance Authority:</u></b>	<p>A. Department Directors may accept a cash donation or contribution on behalf of the City Manager, subject to the conditions herein.</p> <p>B. Acceptance of any donation or contribution must comply with the City’s Ethics Code and AD 1.6, Basic Procedures Regulating Purchases of Materials, or Services.</p>
<b><u>Appropriation Authority</u></b>	<p>A. City Council shall consider ratification on or appropriation of all expenditures funded through cash donations or contributions on an annual basis.</p> <p>B. City Council shall consider acceptance of all donations or contributions of real property, including those instances requiring the execution of a City contract, or for which the donation or contribution is contingent upon the satisfaction of a contractual obligation by the City as the donation occurs.</p> <p>C. Any donation to directly fund a capital project shall be appropriated by City Council at the time of acceptance.</p> <p>D. Contributions of equipment or materials do not require acceptance or appropriation by City Council.</p>

## **Roles & Responsibilities**

<b><u>All Departments</u></b>	<p>A. Department Directors shall review all requests for acceptance of cash donations and contributions to ensure that the best interest of the City are being met and that the acceptance of the cash or gift card is not in violation of the City’s Ethics Code.</p> <p>B. Department Directors, or their designee, shall coordinate with the Office of Management and Budget (OMB) and the Finance Department to establish SAP Master Data, Cost Center, Fund Center, Internal Order and WBS Element that are required to account for the donation or contribution.</p>
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- C. Department Directors, or their designee, shall notify OMB and the Finance Department after a donation or contribution has been accepted, deposited, and recorded into the City's accounting records. This notification shall be completed using the Finance Department's Donation and Contribution Form (*Attachment A*).
- D. Department Directors, or their designee, shall ensure the deposits of cash/checks are made in compliance with the City's Cash Handling AD 8.1.
- E. Department Directors, or their designee, shall work with OMB and the Finance Department-Financial Reporting Section to determine the net amount of donations or contributions which have been closed to undesignated fund balance.
- F. Department Directors, or their designee, shall work with OMB and the Finance Department-General Ledger section to appropriate the amount from undesignated Fund Balance to current year expenditures. This will be done in the format of the Budget Load (*Attachment B*).
- G. Departments are not allowed to appropriate or spend any donations or contributions which have been given as an **endowment**. Only the amount of earnings from the endowment will be allowed to be appropriated.
- H. Department Directors shall be responsible for submitting items for City Council consideration concerning donations or contributions of **real property** and those that require a contractual obligation on the part of the City. Donations or contributions of real property shall be coordinated and/or communicated with the Asset Management section of the CIMS department, when the department is receiving the land itself.
- I. Department Directors, or their designee, shall coordinate with the donor or contributor to obtain a legal description of the real property to include its appraised value.
- J. Department Directors may accept any donation or contribution of equipment or material determined as beneficial to the City.
- K. Department Directors, or their designee, shall notify the Finance Department on all accepted donations or contributions of equipment or materials after obtaining the value of the contribution.
  - a. The notification shall include a brief description of the Department's assessment of the beneficial nature of the donated or contributed equipment or material to the City.
- L. Donation or contribution of equipment or material that exceed an appraised value of \$5,000 or greater will be recorded as an asset and added to the City's inventory. Equipment less than \$5,000 will be recorded as tracked property in accordance with AD 8.7 Financial Management of Capital Assets and Tracked Property.
- M. Donations in the form of "Gift Cards" shall be considered equivalent to cash and must be handled as such. Purchases shall be in accordance with the City's purchasing policy.
- N. Department Directors, or their designee, shall notify the Finance Department on all accepted contributions in the form of "Gift Cards".

	<p><b>O.</b> Department Directors, or their designee, shall notify the Finance Department when the gift card has been used and provide a list of purchases made with the respective amount.</p>
<p><b><u>Finance Department</u></b></p>	<p><b>A.</b> Finance Department - General Ledger Section will review and establish the SAP master data when approved by the General Ledger Manager.</p> <p><b>B.</b> Finance Department - General Ledger Section shall maintain a list of all donations and contributions made during the fiscal year.</p> <p><b>C.</b> Finance Department - Financial Reporting Section shall work with the departments and OMB to determine the amount that is available for appropriation from undesignated fund balance.</p> <p><b>D.</b> Finance Department - General Ledger Section shall work with the departments to establish the budget for the revenue and appropriate the expenditures for individual donations and contributions in amounts greater than <b>\$1,000.00</b> received during the fiscal year.</p> <p><b>E.</b> Finance Department - General Ledger Section shall appropriate the amount that the department, OMB and Financial Reporting Section has determined available from the undesignated fund balance.</p> <p><b>F.</b> Finance Department - General Ledger Section will not allow the departments to appropriate more than the undesignated fund balance or any donation or contribution that was designated as an endowment.</p> <p><b>G.</b> Finance Department - General Ledger Section shall include the detail listing of the donation or contribution amounts appropriated during the Fiscal Year into the appropriate section within the Fiscal Year Closing Ordinance for City Council to ratify.</p> <p><b>H.</b> Finance Department - Financial Reporting Section shall record equipment that exceeds an appraised value of \$5,000 or greater and real property of any amount as an asset. Equipment less than \$5,000 will be recorded as tracked property in accordance with AD 8.7 Financial Management of Capital Assets and Tracked Property.</p> <p><b>I.</b> Finance Department - Financial Reporting Section shall maintain a record of the acceptance of “Gift Cards” and how the amounts have been spent.</p>

<b>Attachments</b>	
<b><u>Attachment A</u></b>	Donation and Contribution Form
<b><u>Attachment B</u></b>	Budget Load
<b><u>Attachment C</u></b>	Employee Acknowledgment Form

This supersedes all previous correspondence on this subject.

Information and/or clarification may be obtained by contacting the Finance Department, Accounting Division at 207-5734.