



BOARD OF SUPERVISORS  
AGENDA LETTER


Agenda Number:

Clerk of the Board of  
Supervisors

105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** County Executive Office  
& Auditor-Controller  
**Department No.:** 012 & 061  
**For Agenda Of:** March 10, 2015  
**Placement:** Departmental  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department: Mona Miyasato, County Executive Officer 568-3400   
Director(s): Robert W. Geis, CPA, Auditor-Controller 568-2100  
Contact Info: Julie A. Hagen, CPA, Chief Deputy Controller 568-2126  
**SUBJECT:** Updated Policy and Resolution - Donations and Gifts to the County

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

1. Accept the updated Policy on Acceptance of Donations and Gifts to the County.
2. Approve the attached Resolution, which supersedes both Resolution # 99-485 and the Minute Order of April 11, 2006 concerning gifts, to authorize the County Executive Officer and Department Heads to accept any gift, bequest or devise (donation) in favor of the County for a public purpose of up to \$10,000 in value without an action of the Board of Supervisors. (The Board of Supervisors must accept gifts greater than \$10,000.)
3. Determine pursuant to CEQA Guidelines 15378(b)(4) that the above actions are not a project subject to CEQA review, because they are government fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

The intent of the updated policy is to provide clarification on certain nuances related to the donations received by departments as well as provide guidance on when a donation is required to be accepted by the Board of Supervisors. The intent of the updated resolution is to include the previously approved Board delegation to Department Heads of amounts up to \$10,000.

**Background:**

The County receives donations for numerous types of unique programs. This updated policy on donations and gifts to the County clarifies several areas of the policy as follows:

- Non-profit organizations and foundations (NPOs), with County employees on the Board of Directors:
  - NPOs that donate to the County must be independent of the County or per Governmental Accounting Standards these accounts would be considered fiduciary and custodial activities of the County. If it is determined a NPO is controlled by the County, it is required that all financial activity is to be recorded in the books of the County, the deposits must be made directly to the County Treasury, and the Board would approve the structure of the board of directors. Employees of the

County must not control the board of directors or management of the NPO. Employees of the County must not hold control offices such as president or treasurer, control the bank accounts, or be signatories on the bank accounts. The Board of Supervisors has previously authorized NPOs to be part of the County financial reporting entity (i.e. Santa Barbara Finance Corporation where the Board of Supervisors appoints the board of directors or Public and Education Access Program where the Board of Supervisors is the board of directors).

- Reporting of donations from the same donor which accumulate to greater than \$10,000 in a year:
  - Elected or appointed department heads have the ability to accept or reject an individual “gift, bequest or device” (donation), within the jurisdiction of such department, in an amount up to \$10,000. The County Executive Officer may accept donations, not designated for any particular purpose, up to \$10,000. If more than one donation during a fiscal year from the same donor will sum to more than \$10,000, the accumulated amount should be brought to the Board of Supervisors for acceptance. A pledge of more than \$10,000, paid in installments, should be brought to the Board of Supervisors for acceptance.
  - Donations shall be officially accepted by the department head or the Board of Supervisors prior to placing the donation in use. A department may have physical possession of the donation prior to official acceptance, but must return the donation if it is not accepted.
- Simplification of the step-by-step policy and procedures on reporting donations:
  - Procedures for cash donations (see attached)
  - Procedures for non-cash donations (see attached)
- Quarterly reporting of donations or gifts greater than \$10,000
  - Per Government Code section 25355, the CEO and County Auditor will file with the Board of Supervisors each quarter (as part of the quarterly financial report to the Board) a report that describes the source and value of each gift in excess of \$10,000 and a report reflecting cumulative donations by department for the fiscal year.

The policy excludes three types of items since they do not meet the definition of a donation and special accounting or tax treatment may not be needed: volunteer service hours, shared cost programs, and operating or capital grants. The exclusion of these items means that they do not fall under this policy and therefore do not have to follow the procedures outlined in this policy.

The updated resolution clarifies the previously Board approved limit of delegated authority of up to \$10,000 allowed by Government Code Section 25355. The original Resolution #99-485 approved on December 7, 1999 delegated an amount of \$5,000. This amount was increased to \$10,000 by Board approved policy on April 11, 2006 by minute order. The attached updated resolution includes the \$10,000 delegation amount in the resolution.

**Mandates and Service Levels:**

Resolution 99-485, Government Code Sections 25355 and 25356, California Code of Regulations, Title 2, §18944 (Regulations of the Fair Political Practices Commission), Internal Revenue Code Section 170(c)(1).

**Performance Measure:** N/A

**Fiscal and Facilities Impacts:** None

**Fiscal Analysis:** N/A

**Key Contract Risks:** N/A

**Staffing Impacts:** N/A

**Special Instructions:** None

**Attachments:** (1) Donation Acceptance Policy, (2) Donation Acceptance Policy (track changes), (3) Resolution, (4) Example Quarterly Reports for the Board

**Authored by:** Julie Hagen, Chief Deputy Controller

**cc:** Department Heads