

Updated Policy

March 10, 2015

Donations and Gifts to the County

Intent of Updated Policy

- * Clearly depict applicable code sections and accounting standards
- * Clarification on certain nuances related to donations
- * Updated resolution to incorporate \$10,000 delegation

Applicable Code Sections and Accounting Standards

1. California Government Code Section 25355
2. State Controller's Manual – Accounting Standards and Procedures for Counties
3. Governmental Accounting Standards Board (GASB)
4. California Code of Regulations, Title 2, Section 18944
5. Internal Revenue Code Section 170(c)(1)

1. California Government Code Section 25355

- * Authorizes delegation of donation acceptance
 - * Department Heads to accept gifts **up to** \$10,000
 - * Board of Supervisors accept gifts **greater than** \$10,000
- * Quarterly Reporting to the Board of Supervisors
 - * “shall file with the board each quarter a report that describes the source and value of each gift valued in excess of \$10,000”
- * Refers to the State Controller’s Manual
 - * Shall follow the procedures

2. State Controller's Manual-Accounting Standards and Procedures for Counties

- * **Donating agencies that are not independent are considered Component Units of the County**
 - * Section 1.24 “... Component units to be included in the reporting entity include legally separate organizations for which the county is financially accountable or which have a relationship with the county...”

3. Governmental Accounting Standards Board (GASB)

- * GASB Pronouncement # 61

- * Agencies that donate to the County must be independent of the County or these accounts would be considered fiduciary and custodial activities of the County.

4. California Code of Regulations, Title 2, Section 18944

- * A payment, which is a gift, shall be deemed a gift to the County, and not a gift to a public official, if:
 - * County receives and controls the payment
 - * Payment is used for official County business
 - * Memorializes the payment in an official public record
 - * Identifies the donor
 - * Describes the official County use, nature and amount

5. Internal Revenue Code Section 170(c)(1)

- * The County may accept donations as charitable contributions under Internal Revenue Code Section 170(c)(1).

Clarification of the Policy

* Independence

- * Agencies that donate to the County must be independent
 - * CA Government Code Section 25355
 - * Shall follow procedures in the State Controller's Manual
 - * State Controller's Manual – Accounting Standards and Procedures
 - * If agencies are not independent they would be considered Component Units and the transactions must be included in County financial statements
- * Governmental Accounting Standards Board (GASB 61)
 - * If the agencies are not independent the accounts would be considered fiduciary and custodial and included in the County financial statements

Clarification of the Policy

- * **Donation Threshold**

- * CA Government Code Section 25355

- * CEO and Department Heads to accept gifts **up to** \$10,000

- * Board of Supervisors accept gifts **greater than** \$10,000

- * Multiple donations from the same donor that sum to more than \$10,000 during a fiscal year must be brought to the Board for acceptance

Clarification of the Policy

- * **Reporting**

- * CA Government Code Section 25355

- * Each quarter the Board of Supervisors must be presented with a report that describes the source and value of each gift valued in excess of \$10,000.

Resolution

- * Increase Board delegation authority to \$10,000

Recommended Actions

- * Accept the updated Policy
- * Approve the updated Resolution

Questions?