



Donations Policy

I. **Authority**

The Fort Worth City Council is responsible for legislation, policy formulation, and setting the overall direction of government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“City”). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day-to-day operations of the executive departments, including the Financial Management Services Department (“FMS”). This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of FMS (“CFO”).

II. **Purpose**

This policy is intended to provide guidelines for accepting gifts and donations in a responsible, transparent, and accountable manner that is consistent with the City’s strategic goals. Donations of every type are offered to the City of Fort Worth (“City”) for general or specific purposes. Uniform criteria and procedures guide the review and acceptance of such donations, confirm that the City has relevant and adequate resources to administer such donations, and ensure that the City appropriately acknowledges the generosity of the donor.

III. **Scope**

This policy shall apply to all funds under the budgetary and fiscal control of the City Manager and the Mayor and City Council.

IV. **Glossary**

Definitions (to be incorporated into the glossary)

Beneficiary Department Head: shall mean the Director of the City department, or his/her designee, for which a donation is designated or intended. The CFO shall act as the Beneficiary Department Head if no department is designated or intended.

Donation or Gift: shall mean a monetary (cash) contribution, endowment, personal property, real property, financial securities, equipment, in-kind goods or services, or any other asset that the City has accepted and for which the donor has not received any goods, services, or any other form of tangible compensation in return. For purposes of this policy, “donation” or “gift” shall be synonymous.

Donor: shall mean a person or other legal entity that proposes or provides a donation or gift to the City.

Endowment: shall mean donations that are restricted to the extent that only earnings and not principal may be used for a particular purpose, City department, or location.



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Restricted Donation: shall mean donations or gifts designated in writing by the donor for a specific or particular City department, location, or purpose. It shall also mean donations or gifts received for specific programs or activities established by the City. The receiving department shall have the responsibility to ensure the restrictions placed upon the donation are fulfilled.

Unrestricted Donation: shall mean a donation to the City without any limitations being placed upon its use. Unrestricted donations shall be recorded in the General Fund.

See definitions related to this policy provided in the Glossary for Financial Management Policy Statements.

V. **Policy**

A. **Specific Objectives**

1. To establish and guide relationships with donors who share the City's commitment to provide a high quality civic environment;
2. To enrich our community by responsibly and efficiently managing donations; and
3. To generate revenue to fund new and existing facilities, projects, programs, and activities for the benefit of the residents of the City.

B. **General Principles**

1. This Policy is intended to guide the manner in which City staff accepts donations or gifts on behalf of the City.
2. Donations do not become the property of the City until accepted by the City consistent with this Policy.
3. Only City officials authorized by this Council Policy may accept donations.
4. The City has no obligation to accept any donation proposed by a donor.
5. All donations will be evaluated by the City prior to acceptance to determine whether the donation is in the City's best interest and is consistent with the applicable City laws, policies, ordinances, and resolutions.
6. The City does not provide legal, accounting, tax or other such advice to donors. Each donor is ultimately responsible for ensuring the donor's proposed donation meets and furthers the donor's charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any donation to the City.
7. The City must determine whether an expenditure of City funds, either a direct outlay



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of City funds or the use of City staff and/or materials, is associated or required with the acceptance of the donation prior to acceptance.

8. The donation must be used for official City business.
9. A donor may restrict a donation for a particular City department, location, or purpose, but not designate the City official who may use the donation.
10. The Beneficiary Department Head is responsible for acknowledging receipt of and thanking, on behalf of the City, all donors.
11. The City shall comply with all applicable laws and regulations of the Internal Revenue Service regarding the acceptance of donations.
12. Donations or gifts received or accepted by the Mayor, City Council Members, or appointed officials from representatives of foreign or domestic governments, business leaders, Sister Cities and their affiliates, or other parties intending to express appreciation or foster diplomatic exchange and goodwill and/or symbolize a significant event or relationship with the City shall be exempt from this policy.

C. Policy

Types of donations

Donations or gifts may be received in the form of cash, financial securities, or real or personal property. Donations may be Restricted or Unrestricted.

The procedure for accepting donations or gifts shall be as follows:

- Cash donations shall be accepted as follows:
 - Amounts equal to or less than \$5,000.00 may be received by each Department Director and shall be deposited by the participating department into the Special Donations Fund;
 - Amounts equal to or less than \$100,000.00 may be received by each Assistant City Manager and shall be deposited by the participating department into the Special Donations Fund;
 - Amounts greater than \$100,000.00 must be accepted by the Mayor and City Council through an agenda item considered at a regularly scheduled City Council meeting.
- Any and all non-cash donations resulting in a capital asset as outlined within the City's Capital Asset Policy shall be accepted through an agenda item adopted by the Mayor and Council at a regularly scheduled City Council meeting.
- Donations of non-cash items not meeting the capitalization thresholds within the City's Capital Asset Policy shall be accepted under the same terms and thresholds identified above for cash donations.



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- Any donations requiring the City to sign an agreement for acceptance should be reviewed by the participating department head and the City Attorney's Office prior to execution.
- Donations from Trust and Perpetuity Funds: Donations from trust and perpetuity funds shall be administered by the receiving department pursuant to the terms of the donation placed upon the trust by the donor.
- Donations of Publicly Traded Equity and Debt Securities: Once accepted and received by the City, the Department of Financial Management Services will immediately liquidate the donation of a publicly traded equity or debt security. Sale proceeds will then be made available to the receiving department.
- Donations of Cash and Real Goods: Donations of cash and real goods may be accepted upon completion of the following processes:
 1. The Beneficiary Department Head shall evaluate whether the donation:
 - a. Is in the City's best interest and is consistent with applicable City laws, policies, and resolutions;
 - b. Has any special restrictions and if so, if those restrictions are acceptable to the City;
 - c. Obligates the City to make an immediate or initial City expenditure which has not been included in the approved budget for the appropriate fiscal year; and
 - d. Creates a new, one-time or an on-going general maintenance obligation of the City.
 2. The City will maintain one Governmental Special Donations Fund to record governmental fund related donations activities. Proprietary fund related donations activities shall be recorded in the primary operating fund of the Department.
 3. The Governmental Special Donations Fund will be treated as a special revenue project fund. The Department shall be responsible for requesting appropriation through the annual budgeting process or through an M&C for new donations received.
 4. Restricted Donations that are not expended at the conclusion of the project and/or activity shall be transferred to the General Fund for the general use of the City.
 5. Restricted donations that do not meet the requirements of a Special Revenue Fund shall be reported in the beneficiary Department's primary fund or the General Fund
 6. Unrestricted Donations do not meet the requirements of a Special Revenue Fund and therefore should not be reported in the Donations Fund, which is a Special



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Revenue Fund. Unrestricted Donations shall be reported in the beneficiary Department's primary fund or the General Fund.

7. Any donations remaining unencumbered and unspent three (3) years after acceptance will be removed from the donation fund and deposited to the department's operating fund (General Fund or respective annual operating fund)
- Donations of real property: Donations of real property may be accepted upon completion of the following process:
 1. The receiving department shall work with the Property Management Department to determine the approximate value of the donation and to ensure that the donation is in the City's best interest. Acceptance shall be consistent with applicable City laws, policies, ordinances, and resolutions.
 2. When seeking City Council approval for a donation of real property, the associated agenda item shall report:
 - a. The appraised value of the donation;
 - b. Any expenditures or maintenance obligations for the City associated with the short-term and long-term ownership of the donation;
 - c. Potential liabilities associated with the donation, such as hazardous conditions or environmental concerns;
 - d. Whether the donation has any special restrictions, and if so, if those restrictions are acceptable to the City; and
 - e. Any recommendations for conditions of acceptance.
 - Any and all Restricted Donations received by the City shall be accompanied by a document indicating the nature and purpose of the restriction.

VI. Exclusions

This policy is not intended to govern donations made to the City under the following programs:

- a. Water / Garbage Fee Assistance and Plumbing Repair Programs
- b. Developer Contributions of Infrastructure under a Community Facilities Agreement, Development Agreement, Platting Process, or Annexation
- c. City Ethics Policy with respect to food and meals

Receipts for these programs will be administered by the documents governing their existence.