

RESOLUTION NO. R25-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA, ADOPTING A DONATION POLICY AUTHORIZING THE ACCEPTANCE OF DONATIONS AND GIFTS MADE TO THE CITY OF PALOS VERDES ESTATES

The City Council of the City of Palos Verdes Estates, California, does hereby resolve as follows:

SECTION 1: Recitals.

1. In 2014, the City Council adopted a Donation Policy which provides that only the City Council may accept a gift on behalf of the City.
2. Under the current Donation Policy, all proposed donations and gifts, regardless of value, must be placed as agenda items with staff reports and approved at a City Council meeting before the City can accept any donations.
3. Preparing numerous staff reports for small donations may be burdensome and time-consuming for City Employees, and having to review and consider accepting every proposed gift and donation to the City may be equally burdensome and time-consuming for the City Council.
4. The City Council desires to update the City's Donation Policy to establish new procedures and guidelines for the acceptance and documentation of donations and gifts given to the City, including allowing the City Manager to approve and accept donations valued at \$1,000 or less on the City's behalf.

SECTION 2: The City Council hereby adopts a Donation Policy Authorizing the Acceptance of Donations and Gifts Made to the City of Palos Verdes Estates attached hereto as **Exhibit A**.

SECTION 3: The City hereby finds and determines that this Resolution relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

SECTION 4: The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

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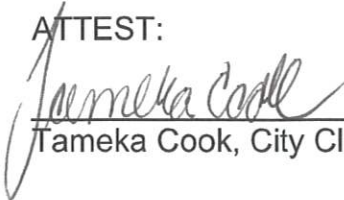
PASSED, APPROVED, AND ADOPTED this 8th day of April 2025.

APPROVED:



Victoria Lozzi, Mayor

ATTEST:



Tameka Cook, City Clerk

APPROVED AS TO FORM:



Trevor Rusin, City Attorney

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CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF PALOS VERDES ESTATES)

I, **Tameka Cook**, City Clerk for the City of Palos Verdes Estates, California, do hereby certify that the foregoing Resolution **R25-07** was duly and regularly approved and adopted by the City Council of the City of Palos Verdes Estates at its regular meeting of the City Council on the 8th day of April, 2025, by the following vote:

AYES: COUNCILMEMBERS: McGowan, Lazzaro, Quinn, Kemps, and Lozzi
NOES: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: None
ABSTAIN: COUNCILMEMBERS: None

ATTEST:



Tameka Cook, City Clerk

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EXHIBIT A

Palos Verdes Estates Donation Policy (2025)

DONATION POLICY
Last Updated: April 3, 2025

Purpose

The purpose of this Donation Policy (“Policy”) is to establish a procedure for acceptance and documentation of donations and/or gifts made to the City of Palos Verdes Estates.

1. DEFINITIONS:

“Donation” or “Gift” means presentation by third parties of any tangible or intangible asset, in whatever condition, the City is prepared to accept pursuant to the guidelines defined set forth in this policy. Donations can take the form of monetary (cash) contribution, endowments, personal property, real property, financial securities, equipment, in-kind goods or services, or any other asset the City accepts for which the donor has not received any goods or services in return. For purposes of this Policy, the terms “donation” and “gift” shall be synonymous.

“Designated Donations” are donations given with condition or conditions of intended use by the donor and/or any limitation on the use of a gift or donation to the City placed on said items that impairs the ability of the City to dispose of or use the gift or donation in any manner it determines appropriate.

“Donor” means an individual or legal entity making a gift or donation to the City.

“License, Permit, or Other Entitlement” means all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts, and all franchises. This term includes, without limitation, competitively bid contracts, labor contracts, and personal employment contracts.

“Restricted Account” means the account or accounts into which the City deposits the gift or donation.

“Proxy” or “Trustee” means the City fulfilling the role of accepting and securing of donations or gifts on behalf of a third party, approved by Council action, to be utilized in accordance with the intended use of both the donor and the third party.

2. DONATION POLICY STATEMENT

- A. Designated donations are those donations that the donor specifies for a particular City Department, city location, city program and/or purpose. Undesignated donations are those donations that are given to the City with no specified use.
- B. The acceptance of donations must always consider the public trust. Therefore, it is the policy of the City of Palos Verdes Estates that, prior to acceptance of a donation, the Department Head of the receiving department shall evaluate any impropriety, appearance of impropriety, or potential conflict of interest between the donor and the City, Department or any City employee in connection with the donation. The

City shall avoid any perception of or real expectations on the part of the donors of preferential treatment as a result of the donation.

3. PROHIBITED DONATIONS

- A. Donations shall not be accepted from any donor that has an active license permit or other entitlement from the City; has a pending license, permit, or other entitlement within the City; or has received approval for a license, permit, or other entitlement within the last 18 months. "Pending" means the donor has submitted an application to the City, and the City has yet to reach a final decision, including any applicable appeal decision.
- B. Subject to the sponsor exception in Subsection C below, donations shall not be received from service providers or contractors actively engaged by the City in the normal course of operations over and above the Holiday Gifts outlined in Section 5 below.
- C. This Section does not prohibit service providers or contractors actively engaged by the City from sponsoring special events put on by the City for the community. "Sponsoring" means giving a donation to offset the cost of a special event. Sponsoring must be in conformance with the procedures outlined in Section 4 below. The value of the donation shall not exceed the cost of the special event to the City.

4. PROCEDURES FOR ACCEPTANCE OF DONATIONS

- A. Based on the value of the donation as defined below, City staff will review the acceptability of any donation and determine if the public benefits to be derived warrant acceptance of the donation. Criteria for evaluation include consideration of any immediate or initial expenditure required in order to accept the donation, the potential and extent of the City's obligation and continuing cost to maintain the donation over time, and the community benefit to be derived from the donation. Other requirements are as listed below:
 - i) Donations must have a purpose consistent with City goals and objectives.
 - ii) Donations will not be in conflict with any provision of the law.
 - iii) Any non-cash donation will be aesthetically acceptable to the City.
 - iv) Donations will not entail the start-up of an unplanned City program or mandate on-going maintenance, upkeep for use of the donation.
 - v) Donations shall not be accompanied by naming rights, memorials or other conditions requiring a naming designation.
 - vi) Donations shall place no restriction on or impair general City operations.

- vii) Donations will generally become property of the City.
 - viii) The appearance of traditional commercial advertising related to in-kind donations shall be avoided.
 - ix) In-kind capital donations shall be subject to normal City review, permitting, inspection, and insurance requirements.
 - x) All information regarding a donor or donors and their respective donation(s) are public information, and are subject to disclosure pursuant to the California Public Records Act.
- B. Donations of \$1000 or Less.** Donations of cash or Gifts valued at \$1,000 or less shall be approved and accepted by the City Manager.
- C. Donations Over \$1000.** Donations of cash or Gifts valued at more than \$1,000 shall be reviewed and approved by the City Council before staff acceptance. The City Attorney may also be engaged for his/her opinion and direction. The following requirements apply in this regard:
- i) If the donation is deemed appropriate, the City Manager or designee must complete a report, given to the City Council as an action item at a public Council meeting, which contains the following information:
 - (1) The amount of each proposed donation, if non-monetary, the estimated value must be listed.
 - (2) The date of offering of the proposed donation.
 - (3) The name of the Employee, Department, or individual or entity that solicited the proposed donation; if applicable.
 - (4) The name of the proposed donor.
 - (5) An explanation of any restrictions placed on the proposed donation or the expenditure or allocation of any funds and increases derived thereof, and compliance, if any should be required, with conditions or restrictions on the funds received. Such other information as needed by Council to make an informed decision regarding the acceptance of the proposed donation.
 - (6) A confirmation that the proposed donation is not a prohibited donation under Section 3, above.
- D.** No City official or employee shall directly or indirectly solicit, accept, or attempt to accept any donation in the form of money, fee, credit, gift, gratuity, object of value, or compensation of any kind which the official or employee knows, or has reason to know is being offered:

- (1) For the purpose of improperly obtaining or rewarding favorable treatment.
 - (2) With interest to influence the official or employee in the discharge of official duties.
 - (3) In consideration of having exercised official powers or performed official duties.
- E. Anonymous donations shall be delivered to the City Manager for appropriate disposition.
- F. The City will generally not accept donations as a proxy or trustee without special case-by-case Council consideration and approval.

5. HOLIDAY AND GIFTS AS A WHOLE

This policy does not prohibit a City official from accepting anything of value by way of an undesignated gift when it is made to and accepted on behalf of the City as a whole. All such gifts to the City shall be forwarded to the City Manager for compliance with this policy whenever possible who will ensure that they are shared with all City staff without preference or exclusion. An example of such gifts would be those received during holiday periods. Undesignated Gifts directed to specific individual employees or specific groups of employees are prohibited. Alcohol may not be accepted.

6. RECEIPT OF DONATION

At the time the City accepts a monetary donation, it will be deposited to that fund and/or restricted account in which the purpose of the donation is to be made. Clear description of the donating parties and the nature of the donation, along with any conditions of restriction, shall be recorded along with supporting documentation. Donations may be received on a designated or undesignated basis.

Undesignated monetary donations may be deposited into the City's General Fund along with line-item descriptive detail that sufficiently identifies its nature. The City Manager will determine the appropriate use of donated funds \$1,000 and under in accordance with budget and finance policies. Generally, such donations can be used to offset existing appropriation levels. Any ensuing appropriations required above policy set authority levels will require the approval of City Council regardless of value. Undesignated monetary donations over \$1,000 will be accepted and appropriated at the direction of the City Council.

Designated monetary donations will be deposited to the appropriate revenue restricted account and fund, most likely a special revenue fund, for the designated City Department's use. Donated non-monetary items will be distributed to the appropriate City Department for use as prescribed in the donor's designation.

7. ACKNOWLEDGEMENT OF DONATION

- A. At the time the City receives any donation, the attached DONATION ACCEPTANCE FORM shall be completed.
- B. Acknowledgement of donation will also be in writing and will be the responsibility of the Department Head whose department is the beneficiary of the donation. A copy of the Donation Acceptance Form will be sent to donors along with a staff prepared letter of appreciation.
- C. Donations (with values over \$1,000) considered by the City Council, shall receive a letter from the Mayor, prepared by city staff. All letters of appreciation shall include a description and the intended use of the donation received. If a monetary donation was received, the amount of the donation shall be stated for confirmation purposes.
- D. Donations received from the POA (Police Officers Association) are exempt from acknowledgment requirements.
- E. A gift to a city, county, or other political subdivision is generally tax deductible if it is a "charitable contribution" made solely for "public purposes." IRS Code, at 26 U.S.C.170(c) (1), defines a "charitable contribution" (which is tax deductible) to include "a contribution or gift to or for the use of [a] State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes." *With that understanding, deductibility for tax purposes depend upon the circumstances of a particular gift as to whether it was made for public purposes. As such, the City makes no representation as of tax deductibility and donors will be advised to seek the counsel of their tax specialists and tax accountants in this area.*

8. DECLINED DONATIONS

The City of Palos Verdes Estates reserves the right to decline any donation if, upon review (as provided for in Section 2), acceptance of the donation is determined to be not in the best interest of the City.

9. DISSEMINATION OF INFORMATION

- A. A copy of all signed Donation Acceptance Forms shall be forwarded periodically, within any one quarterly period, for information to the City Council via the City Manager.
- B. A copy of all signed Donation Acceptance Forms shall be forwarded for information to the City Manager and Finance Department.
- C. City Department Heads are responsible for creating and maintaining a complete and accurate inventory/history of all donations, and supporting documents, received in any one fiscal year and retain them in line with the City retention policy.