

DONATIONS TO TOWN

§ 61-1. Purpose.

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[HISTORY: Adopted by the Board of Selectmen of the Town of Plaistow 7-9-2007. Amended 1-7-2019 and as noted.]

GENERAL REFERENCES

Conflicts of interest – See Ch. 56.

Investment policy – See Ch. 99.

§ 61-1. Purpose.

The purpose of this chapter is to establish procedures for the acceptance of donations to the Town. In general, donations can benefit the Town by allowing expansion of programs or services while not placing further undue burden on taxpayers. A uniform set of procedures shall be followed in acceptance of all donations, and proper approval shall be obtained prior to acceptance. All cash, equipment, in-kind services, materials and sponsorships donated to the Town shall be accounted for in accordance with the procedures set forth in this policy.

§ 61-2. Policy established.

- A. The Town Manger will approve or reject offers of donations of money, equipment and in-kind contributions or sponsorships to Town departments or the Town in general up to \$10,000. Donated money will be expended for general purposes within the department or specified purposes, if agreed upon with the donor, as one-time supplements to the department's operating budget. Donations will be considered based on department goals and needs. Each donation will be evaluated for usefulness and costs of potential replacement and/or ongoing operation. In-kind contributions and sponsorships for specific events will be treated in the same way as donated funds. The Town Manager will announce receipt of these donations at a public meeting of the Board of Selectmen.
- B. For monetary donations of less than \$10,000, the Board of Selectmen must post notice of the funds in its meeting agenda and include notice in the minutes of the meeting at which the funds are discussed. Acceptance of the funds must occur during a public meeting.
- C. For monetary, equipment and in-kind contributions or sponsorships with values over \$10,000, a report to the Board will be written by the Town Manager outlining the purpose of each donation and the advantages and disadvantages of accepting the gift. For monetary donations, a public hearing on the action to be taken must be held and notice of such a hearing will be published in the newspaper at least seven days prior to the hearing. The Board of Selectmen will decide, on a per-case basis, if donations should be accepted or rejected. Corporations offering sponsorships or in-kind contributions will be requested to state the value of the offered service.

- D. The receipt of a donation cannot in any way obligate the Town, its department heads or staff to provide to the donor any consideration in the normal conduct of Town business, either directly or indirectly, that is any way differentiated from a nondonor.

§ 61-3. Definitions.

As used in this chapter, the following terms shall have the meaning indicated:

GIFT or DONATION – The terms “gift” and “donation” shall be synonymous and may be a monetary contribution and/or equipment, in-kind good or services or sponsorships which a Town department or the Town has accepted and for which the donor has not received any goods or service in return.

§ 61-4. Acceptance or rejection of donations.

- A. Responsibility. Upon acceptance of a donation by the Board of Selectmen, responsibility for management of donations shall lie with each department head having authority to expend donations up to the value of \$10,000 as determined by the Town Manager. All donations that exceed \$10,000 must be approved by the Board of Selectmen. The Finance Department will establish separate donation accounts to track receipt and expenditure of donations.
- B. Accepting unsolicited donations. Unsolicited donations shall be accepted only if they have a valid use to the Town.
 - (1) Donors who wish to give a gift which is not specific to a given department may give a gift to the Town in general. The Town Manager will recommend whether such gifts should go to a specific department or to the general fund.
 - (2) If the item obviously has no use to the Town or would be more effectively used elsewhere, the donor will be informed, as soon as possible, and referred to an appropriate agency by the Town Manager, in the case of general gifts, or the department where it was offered.
 - (3) Proof of ownership. If there is any question as to the legal owner of the donated item, proof of ownership may be requested.
 - (4) Restrictions. Donors shall be encouraged to place minimal restrictions on donated items or funds, allowing the Town department or the Town in general as much flexibility as possible on determining its use.
- C. Accepting solicited donations. From time to time, department heads may have the opportunity to discuss donations of money, equipment, in-kind services or materials or sponsorships with individuals and businesses.
 - (1) Department heads whose positions involve direct regulatory responsibility should refrain from direct solicitation or receipt of donations. If an opportunity arises in such a situation, the department head should refer the possible donation opportunity to the Town Manger. If the Town Manager does not feel that he or she can provide sufficient independent guidance, the donation opportunity will be referred to the Board of Selectmen for its review.

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- (2) Department heads should review all solicited donations with the Town Manager. Any solicited donation with a value exceeding \$5,000 should be referred to the Town Manager prior to solicitation. The Town Manager will disclose the nature of the solicitation to the Board of Selectmen prior to the solicitations. Any solicitation over \$10,000 will require the approval of the Board of Selectmen prior to the solicitation.
- D. Conditions for accepting/rejecting donations. Staff shall work with the donor to assure that restrictions are reasonable and do not leave the donor with unrealistic expectations regarding permanency of life of the donation. The following are criteria which may be applied in determining if a donation is appropriate for acceptance:
- (1) Is the use of the item or money for a designated purchase consistent with existing Town Policy and department/Town goals?
 - (2) Do restrictions upon the use of the item or funds make it impracticable to accept?
 - (3) Do restrictions on disposal or retention of the item or funds make it impracticable to accept?
 - (4) Is required accounting for the item or funds excessively difficult?
 - (5) Would equipment require extensive repair or maintenance, and if so, is maintenance support available?
 - (6) Does use of equipment or materials require the purchase of additional items to be useful?
 - (7) Does acceptance of funds, equipment or in-kind services or materials present a conflict of interest for the Town or its employees? Regardless of the value of the donation, if the donor is a contractor, potential contractor or if there is reason to believe there may be a conflict of interest, then the Town Manager will provide a written determination explaining if the gift should be accepted, rejected or submitted to the Board of Selectmen for approval.
 - (8) Will the donation result in an increase to the Town's budget? Recipients must bear in mind that donations are to be considered one-time supplements to departments and should not be used to develop new programs or services which would require budget supplements from the Town in the current or subsequent years, without concurrence from the Board of Selectmen.

§ 61-5. Procedures established.

- A. Gifts valued at \$5,000 or less.
- (1) The donor, not staff, must place a value on the gift.
 - (2) The department head, or Town Manager will acknowledge each gift by letter, thanking the donor for the gift.
- B. Gifts valued at more than \$5,000

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- (1) All gifts valued at more than \$5,000 as determined by the donor require Board of Selectmen approval before solicitation, if solicitation occurs. Subsequent to the Board's acceptance, procedures for acceptance of gifts in excess of \$5,000 shall be the same as those in Subsection A above.

C. Cash gifts.

- (1) Depositing and expending cash gifts. All cash gifts shall be deposited immediately after acceptance with the Treasurer and shall be accompanied by an explanation of the donation's purpose. Funds will be credited to each department's donation account or in the Town's general fund, if appropriate. Funds can also be expended from those accounts. Each department head will oversee accounting and expenditures for funds that are deposited in department donation accounts. The Town Manager will oversee general donations to the Town when a specific department is not designated by the donor.
- (2) Recording cash donations. Donations must be supported in department records showing the name of the donor, the amount and date of the donation, and the nature of restrictions on spending, if any.
- (3) Procedures for expending donated cash. The donations may be spent from each department's donation fund when an appropriate purchase is made. Funds shall remain in this account until they are spent for their intended purpose. Donations can be carried over to the new fiscal year in each department's donation fund.

- D. Noncash gifts. Donations of equipment and/or in-kind services or materials can be accepted by the Town Manager if values are under \$5,000. Equipment or in-kind services or materials valued over \$5,000 by the donor must be accepted by the Board of Selectmen. The Town Manager will report on receipt of noncash donations on a regular basis.

§ 61-6. Annual reporting.

- A. Annually, all donations received within the previous 12 months will be reported. This report will be given to both the Board of Selectmen and the Budget Committee. Donations will be categorized into those that supplement Town programs and services and those that supplant expenditures that would otherwise be charged to the operating budget. In this way, the Town will be able to review any reliance for maintaining current levels of service that rely on donations and appropriate planning can occur for managing those levels of service in the case when donations may no longer be available.