



## CITY OF PORTSMOUTH

CITY COUNCIL POLICY No. 2023 - 02

### Donation Policy

#### 1. Objective and Purpose

Donations of every type are offered to the City of Portsmouth for general or specific purposes. This policy will guide the review and acceptance of such donations, confirm that the City has relevant and adequate resources to manage such donations, and ensure that the City appropriately acknowledges the generosity of the donor. Partnership opportunities for donations for community benefits should respect relevant statutory limitations and guidance, honor policy goals and occur within an ethical framework that preserves the integrity of municipal decision-making processes.

The purpose of this policy is to:

- Establish guidelines that ensure donations occur at arm's length from any City decision-making process;
- Provide criteria and process for the acceptance of donations; and
- Confer upon and confirm the authority of the City Manager, the School Board, the Police Commission, the Fire Commission and the Library Board of Trustees, to accept and spend donations consistent with State law, the parameters contained herein, and their adopted policies and practices.

#### 2. Scope

**2.1** This policy is intended to encompass all donations made to the City, its boards, committees and commissions, and programs as well as donations requested or encouraged by staff directed to other organizations or community agencies unless excluded herein. That stated, this policy is not intended to interfere with or displace the policies and procedures of the School Board, the Trustees of Trust Funds, and Library Trustees which have certain authority granted to them under Charter, ordinance, and law. The City of Portsmouth desires to encourage donations, while at the same time considering fiscal impacts and on-going maintenance and operational costs. While this policy predominantly focuses on material donations, this policy should be considered to have broad applicability for unseen future donations.

**22** This policy does not apply to:

- a. Donations of public art which are the subject of a separate ordinance and policy;
- b. Individual volunteers who may serve in various capacities within municipal departments as part of an academic or other program, or individual volunteers who assist at various municipal-sponsored or run events, functions or programs;
- c. Gifts to individual employees which are governed by Ordinance under Chapter 1, Article 8 and subject to the policies and procedures implemented by the City Manager;
- d. Grants from any source are not covered by this Donation Policy and must be brought forward to the City Council for acceptance;
- e. Trust instruments which must be brought forward to the City Council for approval (although the general policy considerations expressed in this policy may be applicable and useful); and
- f. The Trustees of Trust Funds.

**23 Definition**

*“Donations”* are cash and other monetary instruments, tangible property including land, or in-kind contributions directed to the City or its boards, commission, committees, or programs. Donations do not constitute a business relationship since no reciprocal consideration is sought.

**24 Examples of Donations:**

- **Memorials:** trees, park benches, plaques
- **Monetary:** including cash from event ticket sales and payments for auction items associated with fundraisers that may be conducted by third parties and donated to the City, as well as gift certificates and discount deals from local businesses and nonprofits
- **In-kind services:** this includes organized multi-person volunteer activities by businesses and non-profits to repair, improve municipal facilities and properties
- **Tangible Items other than Art:** laptops and other equipment, instruments, food

**25 Donation Process**

The City Manager shall develop and implement such forms and processes necessary to comply with this policy and work with the Charter Departments and Library Trustee to align their policies and practices as needed for consistency of implementation. If the donation is for a restricted purpose, that purpose should be clearly defined or described and any time limitation on the expenditure of those restricted funds identified.

### **3. Accepting Donations**

#### **3.1 General Authority**

The City may elect to accept or decline any donation.

#### **3.2 Accepting Authority**

- The School Board shall have authority to accept donations directed to the School Department and its programs provided it is consistent with this policy.
- The Library Board of Trustees shall have authority to accept donations directed to the Portsmouth Public Library and its programs provided it is consistent with this policy.
- The City Manager shall have the authority to accept donations of value of \$100 or less without action by the City Council. The City Manager shall prepare for informational purposes only a quarterly report to the City Council identifying all such donations so accepted. Generally, the name of the donor and the amount of the donation and any program or trust to which the donation was directed will be identified in the report.
- All other donations shall be submitted to the City Council for acceptance.

**3.3** Occasionally the City receives cash donations in circumstances in which it is unable or impractical to identify the donor. Such examples include when staff is directed to “keep the change” or to “round up . Nothing in this policy limits the City’s ability to accept these donations.

**3.4** There are donors and situations where it is preferred that the donation be treated as anonymous, to the extent possible, and as may be permitted by the State’s open meeting and public records laws. In addition, some departments, such as the Police Department, prefer to limit certain donor information to the Chief and the Police Commission due to their officers’ enforcement role. Nothing in this policy limits the City Manager’s authority to accept donations in instances where the donation is to be treated as anonymous to the extent allowable by law.

### **4. General Conditions**

**4.1** No advantage is to accrue to the donor (donor’s family, business or other close relations or interests) as a result of the donation.

**4.2** No donation shall be accepted which violates this policy, the City Charter or ordinances, or any State, federal law or order.

## **5. Eligible Uses**

- 5.1** Eligible donations are those that support approved programs and services, durable assets; capital facilities or projects; asset improvement, restoration or capital maintenance; or cash for such purposes.
- 5.2** Donations must be for purposes consistent with the receiving Departments' mandate, programs, services and activities and must be deemed to be in the public interest of the City.
- 5.3** Donations are only to be accepted if the receiving Department has the capacity to meet the initial and ongoing costs and obligations associated with the gift.
- 5.4** Donors who wish to make donations that support special purposes to be provided by an organization independent of the City should be directed, where possible, to the intended organization.

## **6. Ineligible Donors and Donations**

To the extent reasonably practical, donations from ineligible donors should be declined. Ineligible donors include, but are not limited to:

- Persons who may be suffering from mental illness, disability or duress;
- A party, committee, association, fund, or other organization (regardless of incorporation) that is regulated by election laws;
- Any organization that is required to be registered with the secretary of state under the lobbyist registration act;
- Proven or suspected criminal organizations;
- Organizations that promote hatred against individuals or groups; and
- Individuals, businesses, or organizations when adverse to the City in pending litigation.
- Persons and entities with pending applications for permits or other municipal approvals.

Donations from certain persons and entities such as arms manufacturers, certain drug manufacturers/distributors, and tobacco companies are not ineligible donors but donations from such entities may require special attention and consideration and evaluation of potential conflicts.

Donations shall not be accepted for programs, projects or other purposes which would be in violation of any anti-discrimination policies of the City of Portsmouth or any local, state or federal laws.

**7. Authority to Accept and Spend Cash Donation**

The City Manager (and as applicable the department heads by extension) and Charter Departments shall have the authority to expend accepted donations for the purposes intended.

**8. Declining Donations**

As stated above under Section 3, the City reserves the right to decline any donation for any reason. If the donation is not accepted, the City may, at its discretion, notify the donor of the reason the donation was declined.

**9. Costs Associated with the Proposed Donation**

The City also has an interest in knowing in advance the full cost that may be associated with a donation, namely those which may relate to purchase, installation, maintenance and operation during the gift's expected life cycle. In the ordinary course the amount of the donation should be sufficient to cover all such expenses.

- Neither purchase nor installation shall commence until the donor's donation has been accepted and funds have been received by the City for such purposes.
- As to donations requiring on-going operation and maintenance, amounts which are estimated to exceed \$1,000 on an annual basis, the donation shall include an endowment sufficient to cover them, i.e. 20x the estimated amounts.

In rare and unusual circumstances where the City has determined that the value of the donation substantially exceeds the cost associated therewith, these requirements may be waived.

**10. Procurement Decisions:**

**10.1** Voluntary donations for community benefits may not be solicited and offers may not be made by or accepted from a bidder, proponent or applicant to procurement, or their representative, concurrent to the procurement solicitation and award process.

**10.2** The City shall not accept donations that are conditional upon the endorsement of any product, service or supplier. Current and prospective suppliers to the City that decline solicitations for donations shall not be penalized in procurement decisions of the City.

## **11. Donations of Personal or Real Property**

- 11.1** Donations of real property should include consideration of any future or ongoing obligations arising from the donation. Where appropriate, approval of a donation of real property is to include the use and disposition of the real property including the net proceeds arising from a property transaction. Donations of real property will be held in the name of the City.
- 11.2** Donations of personal property will also be reviewed and considered by this policy and subject to approval by the appropriate department head.

## **12. Managing and Reporting Donations**

To cultivate an ongoing relationship with donors:

- Treat individual donors' names and amounts given, and any other private or personal information, with respect and, except where the donor authorizes release of such information, with confidentiality to the extent provided by the law;
- Reasonably limit the frequency of solicitations; and
- Respond promptly to a donor's question or complaint.

The City shall manage and record in accord with generally accepted governmental accounting principles donations that are restricted for uses or programs, whether such restrictions are temporary or permanent.

## **13. Acknowledgements, Forms and Receipts**

The City is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for donations. Accordingly, for donations valued at \$100 or more, a formal letter of acknowledgement and gratitude will be sent to the donor by the City.

## **14. Accounts**

- 14.1** Donations designated for specific purposes or for the general purpose of a specific program, are to be used by the program for the purpose specified by the donor. For purposes of financial control and accountability, donations are to be credited to appropriate accounts of the City.
- 14.2** Donations may not be managed informally or held in personal or external accounts or trust funds. This would not apply to independent community fundraising campaigns until such time that the campaign contributions are donated to the City.

- 14.3** Donations of cash or property to the City, where the purpose is not specified and which are not part of an approved fundraising initiative, are deemed to be undesignated and become contributions to general revenue of the City or assets of the City, unless the recipient Department seeks council approval for the requested purpose.

This policy shall take effect upon the passage by the City Council.

Adopted by the Portsmouth City Council on May 1, 2023

Ratified by the Portsmouth City Council on: January 16, 2024

---

Kelli L. Barnaby,  
MMC/CNHMC City Clerk