



# STAFF REPORT

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April 8, 2026  
File Number 0150-20

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## **SUBJECT**

**ADOPTION OF A DONATION POLICY FOR REVIEWING GIFTS OFFERED TO THE CITY OF ESCONDIDO**

## **DEPARTMENT**

City Manager

## **RECOMMENDATION**

Request the City Council adopt Resolution No. 2026-45 to approve the Donation Policy establishing a formal, Citywide framework for evaluating, accepting, declining, documenting, and acknowledging donations to the City of Escondido.

Staff Recommendation: Approval (City Manager's Office: Christopher McKinney, Deputy City Manager)

Presenter: Nicole Lindsay, Management Analyst

**ESSENTIAL SERVICE** – Yes, internal requirement supporting Financial Stewardship

**COUNCIL PRIORITY** – Build Trust and Accountability; Financial Stewardship; Restore Organizational Capacity.

## **FISCAL ANALYSIS**

Adoption of the Donation Policy does not create a direct fiscal impact. Instead, it strengthens fiscal stewardship by ensuring that costs, restrictions, and long-term obligations are evaluated before donations are accepted.

The policy also formalizes the Finance Department's review of designated or restricted donations, ensuring that appropriate accounting, audit requirements, and budget adjustments are identified before funds are accepted or spent. Evaluating the obligations associated with ownership prior to acceptance reduces the risk of unbudgeted expenditures, unfunded maintenance obligations, or administrative burdens associated with donated assets.

## **PREVIOUS ACTION**

There has been no prior City Council action adopting a comprehensive, Citywide donation acceptance policy. Historically, donations have been accepted through a combination of department-level practices, and individual Council actions, depending on the nature and value of the donation.



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### BACKGROUND

#### Purpose of the Policy

The City of Escondido regularly receives donation offers from a wide range of sources including individuals, community groups, and nonprofit organizations, seeking to support City programs, projects, activities, facilities, services, public assets, and other City initiatives. While donations reflect strong community engagement and an intention to benefit the City, consideration must be given to the responsibilities inherit with accepting a donation, these include:

- Operational impacts
- Financial obligations
- Legal considerations
- Long- term maintenance responsibilities

City staff from the Finance Department, the City Manager’s Office, Economic Development, and the City Attorney’s Office, developed this policy to reflect best practices in order to establish a consistent pathway for future donations.

Adopting this policy provides several important benefits to the City:

#### 1. **Consistency and Transparency**

The policy ensures that all donation offers are evaluated using the same criteria, regardless of department or donor, promoting fairness and public trust.

#### 2. **Financial and Operational Safeguards**

By requiring early review of costs, restrictions, and long-term obligations, the City reduces the risk of accepting donations that later create unfunded liabilities or administrative challenges.

#### 3. **Clear Accountability**

Defined approval thresholds and documentation requirements clarify who is responsible for acceptance decisions and donor communication.

#### 4. **Support for Strategic Goals**

The policy aligns donations with the City’s strategic priorities and ensures that accepted gifts support official City purposes rather than creating unintended obligations.



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### 5. Improved Recordkeeping and Reporting

Centralized retention of donation records and annual reporting to the City Council improve institutional knowledge and transparency.

#### Policy Scope

A donation, as defined within the policy, is an offer to the City in the form of monetary (cash) contribution, endowment, personal property, real property, financial securities, equipment, in-kind goods or services, public artwork, artifact, or any other asset for which the donor receives no goods or services in return.

The policy briefly addresses how to process donations of all values but is primarily focused on donations:

- Valued greater than \$5,000
- Artifacts
- Artwork
- Real property

City staff from the benefiting department are responsible for evaluating all donation offers prior to acceptance, regardless of their value, and must determine that accepting the donation is in the best interest of the City, and is consistent with applicable City laws, policies, ordinances, and resolutions. The City has no obligation to accept any donation proposed by a donor.

Nothing in this Policy supersedes or replaces the requirements of existing Administrative Directives. Additionally, naming rights associated with a donation are not currently authorized under this Policy. Staff will draft a comprehensive Naming Rights Policy and will present that to City Council at a later date. Until that policy is formally adopted, no naming rights or naming recognition may be granted, except under special circumstances and only with the explicit approval of the City Manager and/or City Council, as appropriate.

#### Donation Acceptance Process

For donations valued less than \$500, staff from the benefiting department are responsible for acknowledging receipt of and thanking, on behalf of the City, the donors. For donations valued between \$500 - \$4,999.99, the Beneficiary Department Head is responsible for acknowledging receipt of and thanking, on behalf of the City, the donors. Prior to accepting the donation, staff should consider whether accepting the donation is in the best interest of the City, and is consistent with applicable City laws, policies, ordinances, and resolutions.



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All offers to donate to the City valued at \$5,000 or greater, as well as donations of artifacts, public art, and real property, must be submitted in writing by the donor using the applicable Donation Form for consideration of acceptance. Based on the value and type of the donation, City staff shall review every donation received. Donations will only be accepted if:

- The donation is determined to be in the best interest of the City;
- The donation is consistent with applicable City laws, policies, ordinances, and resolutions;
- The long-term cost of ownership including anticipated expenditures and/or maintenance obligations associated with the donation are reasonable given City resources;
- Potential liabilities, including hazardous conditions or environmental considerations, are well understood and deemed worth the risk; and
- Any special restrictions placed on the donation by the owner are acceptable to the City.

The beneficiary department is responsible for conducting these reviews. If the donation is for a restricted purpose or requires immediate City expenditure, required obligations, or long-term financial commitments, the Finance Department will complete an additional review. They are responsible for evaluating whether the proposed designation or restriction is administrable, determining appropriate accounting, and ensuring financial systems are set up to properly account and restrict funding to the designated purpose.

Authority to accept donations on behalf of the City is based on the total value, nature, and circumstances of the proposed donation, including any required City expenditures or long-term obligations. The following table summarizes the approval authority for donation acceptance under this Policy.



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Donation Value / Type	Approver
\$0.01 - \$499.99	Staff in Benefiting Department
\$500 - \$4,999.99	Beneficiary Department Head
\$5,000 - \$199,999.99	City Manager
\$200,000+  Any donation in which a Councilmember helped facilitate or secure the offer  Artifacts  Nonstandard donations or donations that do not clearly fall within the defined categories outlined in this policy  Other donations requiring Council consideration, as recommended by the City Manager  Real Property	City Council

If there is a need to change donation approval thresholds in the future, Resolution No. 2026-45 allows the City Manager to make these adjustments without needing additional approval from the City Council.

All donation offers, whether accepted or rejected, should be acknowledged in writing. City Departments should complete their reviews within 30 business days of receiving a complete donation offer. Offers that require City Council review will be placed on the next available Council agenda, following Department review.

An annual report will be prepared by the City Manager’s Office and issued to the City Council of all accepted and rejected offers valued at \$5,000 or more.

### Special Categories & Considerations

While the review and acceptance/rejection process is generally consistent for all types of donations—beginning with the initial donation offer, followed by staff review (including Finance, if applicable), a determination by the appropriate authority, and confirmation of the City’s intent to accept or decline—certain requirements vary based on the type of donation, as outlined below:



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**Artifacts:** Donations of artifacts will be coordinated by the City Manager's office and presented to the City Council for final approval. Further evaluation criteria will be applied to confirm that the donation:

- was not offered to influence a decision or secure an advantage;
- fosters goodwill, cultural exchange, or commemorates a City relationship or event;
- does not promote hate, violence, or discrimination;
- does not have suspect provenance;
- does not create conflicts of interests; and
- does not require exclusive display commitments or commercial promotion.

**Non-standard donations:** Donations that do not clearly fall within the defined categories in this policy, or that span multiple categories (including cash, bequeaths, personal property, real goods, services, trust & endowment funds, publicly traded equity, debt securities, real property, public artwork and artifacts) will be reviewed by the City Manager's Office. The review will assess the nature, intent, obligations, and potential impacts of the proposed donation. Because these donations fall outside standard acceptance pathways, they will always be presented to the City Council for final consideration and approval.

**Public artwork:** For public artwork, the Director of Economic Development or designee will coordinate the review. Public artwork may be donated or loaned temporarily, depending on the preference of the donor.

Offers to donate public artwork should include more details, specifically related to the artist and artwork including: artist credentials, artwork identification information, technical drawings and artwork images, proposed site and installation details, installation and maintenance requirements, condition reports (if not new), intellectual property rights/permissions, and loan requirements (if applicable).

In addition to the staff review, public artwork donations will include an aesthetic review by the Public Art Commission which will evaluate items including the artistic quality, fit within the proposed site and with existing public art, alignment with strategic goals and plans, site availability, installation and long-term maintenance, current conditions, and liability.

When a loan or donation is accepted, artists will be required to enter into a Public Art Donation Agreement with the City to memorialize their understanding and agreement with respect to the installation, maintenance, financial responsibility, future use of the artwork's image or likeness, acknowledgement of the City's right to photograph or record the artwork and any other conditions of the gift or return of the Public Artwork on loan. Per Resolution No. 2026-45 City Council authorizes the applicable Department Head, or designee, to execute Public Art Donation Agreements and Public Art Loan Agreements based on



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City approved templates, provided the donation or loan has been accepted in accordance with the City's Donation Policy and the agreement has been reviewed and approved by the Office of the City Attorney.

**Real property:** The Director of Economic Development or designee will coordinate the review of all aspects related to the acceptance of real property donations including determining the value; maintenance obligations; liabilities; evaluating any restrictions; and will provide recommendations, if any, for conditions of acceptance. City Council will be responsible for accepting or rejecting the donations. Donation offers should also include a copy of the Title Report.

### RESOLUTIONS

- a. Resolution No. 2026-45
- b. Resolution No. 2026-45—Exhibit "A"— Donation Policy

### ATTACHMENTS

- a. Attachment "1" - Donation Form (Donations \$5,000 or greater, artifacts, real property) and Staff Checklist
- b. Attachment "2" - Donation Form (Public Art) and Staff Checklist