

**EXHIBIT B: REDLINE OF PROPOSED REVISION TO PROCEDURE FOR THE  
ACCEPTANCE AND DISBURSEMENT OF DONATIONS**

NAPA COUNTY

AUDITOR-CONTROLLER'S OFFICE

PROCEDURE FOR THE ACCEPTANCE AND DISBURSEMENT OF DONATIONS

**SUBJECT** Acceptance and Disbursement of Donations  
Resolution No. ~~05-40, Issued August 1, 2005~~25-xx,  
issued xx/xx/xxxx

**REVISION DATE** ~~10/01/2022~~xx/xx/xxxx

**EFFECTIVE DATE** ~~07/01/2023~~xx/xx/xxxx

**DISTRIBUTION** Department Heads  
Department Managers  
Financial Users

**AUTHORIZED BY** Tracy A. Schulze, Auditor-Controller

TS

**OVERVIEW**

Donations to Napa County are considered contributions and may be tax deductible in accordance with the Internal Revenue Code Section 170(c)(1) and California Revenue and Taxation Code Section 24359 if they are to be used for a public purpose.

Pursuant to California Government Code Section 25355 ~~and in accordance with Resolution No. 05-40,~~ the Board of Supervisors has delegated the responsibility to accept Donations (gifts, bequests or devises) ~~in the aggregate amount of \$1,000 or less, to the Auditor-Controller's Office (ACO).~~ made by an individual or an organization in the amount of \$10,000 or less per quarter, to Department Heads, and the responsibility to accept Donations made by an individual or organization in the amount of \$1,000 or less per quarter to Department managers.

For donations made by an individual or organization in excess of ~~the aggregate amount of \$1~~\$10,000 per quarter, a request for acceptance is required to be filed with the Board of Supervisors describing the source and value of each gift, bequest or devise to be received.

**Board Resolution No. ~~05-40 does not supersede~~25-xxx consolidates and supersedes the following:**

1. Board of Supervisors Resolution No. 99-56, ~~revised~~adopted May 24, ~~2005, for 1995,~~ authorizing the Napa County Library Director to accept donations up to \$2,000 in general and up to \$5,000 from ~~various donors and the~~ Friends of the Library;
2. Board of Supervisors Resolution No. 05-40, adopted March 8, 2005, authorizing the Auditor-Controller to accept donations in the amount of \$1,000 or less per occurrence;
- ~~2-3.~~ Board of Supervisors Resolution No. 06-120, adopted on June 20, 2006 for the Health and Human Services Agency (HHSA) to accept donations on behalf of the Homeless Shelter;

~~3.4.~~ Board of Supervisors Resolution No. 08-171, adopted December 9, 2008, for the Health and Human Services Agency (HHSA) to accept donations on behalf of the Children's Recovery Center (CRC) and Child Welfare Services Division (CWS) (~~Resolution 08-171~~); and

~~4. Board of Commissioners Resolution No. 07-05 (NCHA), adopted August 21, 2007 for the Napa County Housing Authority to accept and disburse donations.~~

Refer to ~~Exhibit A~~ for Board Resolution Summary.

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## **CONTENTS**

A. PRELIMINARY ASSESSMENT.....	3
B. ACCEPTANCE OF CASH DONATIONS.....	3
C. RECORDING CASH DONATION(S).....	8
D. ACCEPTANCE OF NON-CASH DONATIONS.....	8
E. RECORDING NON-CASH DONATION(S).....	8
F. DECLINED DONATIONS.....	9
G. REPORTING TO THE BOARD OF SUPERVISORS.....	10
H. SAFEGUARDING AND ACCOUNTABILITY.....	10
I. DISPOSITION OF DONATION.....	11
J. DECLARED EMERGENCIES.....	11
Exhibit A: Non-Cash, Cash Equivalent Donations Log.....	12
Exhibit B: Thank-you Letter Example.....	15

## **PROCEDURES**

~~These procedures are to be followed by all County Departments unless stated otherwise for those County Departments in the Resolutions identified in 1-4 above for accepting donations.~~

All county departments are subject to the following procedural requirements.

### **A. PRELIMINARY ASSESSMENT**

#### **1) Type of Donation**

- a) Cash – Cash, Checks and Money Orders
- b) Non-Cash – Merchant Gift Cards, Capital Assets, perishable and non- perishable goods, and equipment.

#### **2) Appropriateness of Donation**

Determine if the donation to be received can be utilized in accordance with statutes and County policy. The Department's representative in County Counsel ~~shall~~should be consulted if there are any questions regarding the utilization of the donation(s). If the donation has been received as a bequest, then the donation shall be used in accordance with the will of the decedent. Donations are to be used to enhance the well-being of the citizens of Napa County and operations of the County departments serving the citizens of Napa County.

### **B. ACCEPTANCE OF CASH DONATIONS**

- ~~1) Acceptance of cash~~ Departments should send a thank-you letter for donations less than of \$100

~~a) No pre-approval required from Auditor-Controller's Office.~~

~~b) Record the donation **or more** within three (3) business days of receipt—Refer to Section 3 for instructions on recording cash donations.~~

~~c) Notify Auditor-Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org) by the 10th of the following month.~~

~~The notification should include the following:~~

- ~~1. Name of donor (or "anonymous")~~
- ~~2. Date of donation (received date)~~
- ~~3. Amount of cash donation~~
- ~~4. Purpose of the donation (if declared by donor or if known how it will be used)~~

~~d) The Department receiving individual donations or multiple donations from the same donor with an aggregate value greater than \$25 but less than~~

~~1) \$100, shall prepare a thank you letter to the donor within three (3) business days after acceptance has been obtained.~~

The ~~thank you~~ letter should include the following ~~(refer to Exhibit C):~~

- ~~1.a.~~ Name and address of donor
- ~~2.b.~~ Date of donation (received date)
- ~~3.c.~~ Amount of cash donation
- ~~4.d.~~ Purpose of the donation (if declared by donor or if known how it will be used)
- ~~5.e.~~ Acknowledgement that the donor did not receive any goods or services in return for the donation (i.e., book, dinner, etc.)
- ~~6.f.~~ County Federal Tax ID Number

**NOTE:** Cash donations under \$25 do not require Refer to Exhibit B for an example of a thank-you letter to. Copies of thank-you letters should be forwarded promptly to the Auditor-Controller's Office at [donations@countyofnapa.org](mailto:donations@countyofnapa.org). Letters should be sent to the any donor unless requested by who requests one, regardless of the donor.

~~e) Forward a copy amount of the thank you letter to the Auditor-Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org).~~

2) Acceptance of Department managers may accept cash donations between \$100 to by any individual or organization totaling \$1,000 or less.

a) No pre-approval is required from the Auditor-Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org) on the day cash donation is received and not yet deposited for this category of donations.

The notification should include the following:

- ~~1. Name (or "anonymous")~~
- ~~2. Date of donation (received date)~~
- b) Amount of Record and deposit each donation within three (3) business days of receipt – Refer to Section C for instructions on recording cash donations.
- c) If applicable, complete the thank-you letter as outlined in Section (B)(1) and email a

copy to donations@countyofnapa.org.

**3. Department heads may accept cash donation**

~~4. Purpose of the donation (if declared by donor or if known how it will be used)~~

~~b) Auditor Controller's Office will provide written feedback within three (3)~~

~~3) business day(s) on whether the donation may be accepted or declined on behalf of Napa County. Refer to Section F for instruction on declined donations by any individual or organization of up to \$10,000.~~

~~a) Complete the thank-you letter as outlined in Section (B)(1) and email a copy to [donations@countyofnapa.org](mailto:donations@countyofnapa.org).~~

~~e)b) Upon acceptance by the Auditor-Controller's Office Department Head, record and deposit the donation within three (3) business days after acceptance has been obtained – Refer to Section C for instructions on recording cash donations.~~

~~d) The Department receiving individual donations or multiple donations from the same donor with an aggregate value between \$100 to \$1,000, shall prepare a thank you letter to the donor within three (3) business days after acceptance has been obtained.~~

~~The thank you letter should include the same information as outlined in Section B: 1 d (refer to Exhibit C)~~

~~e) Forward a copy of the thank you letter to the Auditor-Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org).~~

**3)4) Acceptance of cash donations greater than \$1 by any individual or organization in excess of \$10,000 requires approval by the Board of Supervisors.**

a) Prepare a ~~board~~**Board** agenda letter in Legistar for the next available Board of Supervisors (BOS) meeting.

The ~~board~~**Board** agenda letter should include the following:

1. Name of donor
2. Date of donation (received date)
3. Amount of cash donation
4. Purpose of the donation (if declared by donor or if known how it will be used)
5. Acknowledgement that the donor did not receive any goods or services in return for the donation (i.e., book, tape, dinner, etc.)

**6. A copy of the thank-you letter**

Wait for instructions from the Board of Supervisors on whether to accept or decline the donation – **Refer to Section F** for instruction on declined donations.

Upon acceptance by the Board of Supervisors, forward a copy of the approved board agenda letter to the Auditor-Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org).

b) Record and deposit the donation within three (3) business days of receiving Board of Supervisor approval – **Refer to Section C** for instructions on recording cash donations.



- ~~c) The Department receiving individual donations or multiple donations from the same donor with an aggregate value greater than \$1,000, shall prepare a thank you letter to the donor within three (3) business days after acceptance has been obtained.~~

~~The thank you letter should include the same information as outlined in Section B: 1-d (refer to Exhibit C)~~

- ~~d)a) Forward a copy of the thank you letter to the Auditor Controller's Office via [donations@countyofnapa.org](mailto:donations@countyofnapa.org).~~

## C. RECORDING CASH DONATION(S)

Cash donation(s) shall be recorded in revenue account 47500 Donations/Contributions within three (3) business days depending on receipt or approval requirements. Include the customer donation receipt number and/or donor's name, and, if applicable, any particular purpose outlined in the donation, in the deposit description.

## D. ACCEPTANCE OF NON-CASH DONATIONS

When accepting non-cash donations such as gift cards, bus passes, dog food, blankets, etc., the same procedures limits for acceptance and acknowledgment as outlined in **Section B (ACCEPTING CASH DONATIONS)** shall ~~be followed~~ apply. Refer to Section E for guidance on how and when to record non-cash donations.

**Stock Donations** shall be promptly sent to the Treasurer who will arrange for the sale of the stocks and deposit the net proceeds ~~in~~ into the appropriate account.

The only exception to the procedures in Section B is in how Non-Cash Donations are recorded (**Section E**), and no cash value is stated in the Thank You Letter. (~~Refer to Section (B)(1)(d) and Exhibit CB~~)

## E. RECORDING NON-CASH DONATION(S)

- 1) If non-cash donations are received, the department ~~shall~~ may consult with ~~its assigned County Executive Office (CEO) Management Analyst and~~ the Auditor-Controller's Office (ACO) to determine how the non-cash item should be recorded.
- 2) **Products donated that would normally be purchased with County funds**, shall be recorded in revenue account 47500 donations/contributions within three (3) business days depending on receipt or approval requirements and offset by the appropriate expense account.

- a) ~~Examples of non-cash donations which would normally be~~
  - a) ~~purchased with County funds include pet food for the animal shelter and mattresses/trailers for NCHA Farmworker Centers.~~
  - b) ~~An~~ Donations of office furniture or equipment that would be purchased with County funds require an estimated value ~~is~~ to be supported by a quoted fair market value, professional appraisal, etc., when recorded in the revenue and expense accounts.
  - c) When the estimated value of donated product(s) exceeds budget allocation, it may be necessary to complete a budget adjustment to offset the expense.
- 3) **Products donated that would not normally be purchased with County funds** are not recorded in revenue account 47500 donations/contributions but rather recorded and tracked outside of the general ledger.

Examples of non-cash donations that would not normally be purchased with County funds include gift cards for food, beverage, clothing, movies, etc.

- 4) Consult the ACO to determine the proper manner of recording donations of tangible assets with a fair market value over the County's capital asset threshold (e.g., artwork, vehicles, or trailers).
- 4)5) Gift cards/certificates/bus passes shall be recorded and tracked on a log (refer to Exhibit B) and the log is to be made available to the Internal Audit section of the Auditor-Controller's Office annually by July 10 reflecting the balances as of fiscal year-end June 30, 20XX.

## F. DECLINED DONATIONS

Upon notification from the Auditor-Controller's Office or based on the actions of the Board of Supervisors that the donation has been declined, the Department must:

- 1) Draft a letter within three (3) business days of receiving notification that the donation has been declined. The letter should express the County's appreciation and include an explanation that the donation was not accepted by the Auditor-Controller or the County's Board of Supervisors and if available, the reasons for declining the donation.
- 2) Return the donated item to the donor through certified-return receipt mail if it can be easily mailed (checks, money orders, or merchant gift cards, etc.) If the donation is cash or not easily mailed, then ~~request, within~~ the decline letter, should explain that the donor must retrieve the donation within two (2) weeks from the date of the decline letter. Contact the Auditor-Controller's office if donors do not retrieve declined donations.

## G. REPORTING TO THE BOARD OF SUPERVISORS

~~At the end of each quarter, Departments are required to report all cash and non-cash donations to the Internal Audit section of the Auditor-Controller's Office. Controller no later than five (5) business days after quarter-end. Internal Audit will prepare issue a report to the Board of Supervisors on all of the aggregated donations known to have been received by all Napa County Departments.~~

~~The departments. Department~~ quarterly donation report ~~will~~ should include the following:

- ✓● The total value of the cash donations received;
- ✓● The Department receiving and utilizing the donation; and
- Description of any non-cash donations received and estimated value.

## H. SAFEGUARDING AND ACCOUNTABILITY

- 1) Cash donations awaiting acceptance approval from the ~~Auditor-Controller's Office~~ Department Manager, Department Head, or the Board of Supervisors shall be kept in a locked box in a locked drawer or in a locked safe with limited access until deposited.
- 2) Non-cash, cash equivalent, donations such as merchant gift cards; and bus passes ~~and other non-cash items~~ shall be kept in a locked box in a locked drawer or safe with limited access and accounted for and tracked using a gift card/bus pass log – **Refer to Exhibit B for an example.**
  - a) The initial entry should list the certificates, card numbers, or other specific identification of the non-cash items.
  - b) Disbursement approval of the non-cash, cash equivalent items (i.e., merchant gift cards and other non-cash items) will be provided in writing by a member of the Department staff that has been authorized by the Department Head or their designee.

After the distribution of the donation is approved, the merchant gift card number or identification of the non-cash item shall be logged out.

The written documentation shall be filed with the log indicating issuance.

- c) The dollar value balance on the log as of June 30th shall be reported to the Internal Audit section of the Auditor-Controller's Office within five (5) business days after year-end.
- d) The Internal Audit section of the Auditor-Controller's Office, shall have the ability to examine the log, the merchant gift cards, and other non-cash items for safeguarding and accountability purposes.

## I. DISPOSITION OF DONATION

- 1) In accordance with California Government Code Section 25355, the Board of Supervisors must approve the disposal of the property and any income derived from the donations for those lawful uses and purposes as are prescribed in the terms of the donation, bequest, or devise.

Board approval of the disposition of donations can occur through resolution or consent item.

- 2) Refer to the County's Capital Asset policy for the disposal of non-cash capital asset items.

## J. DECLARED EMERGENCIES

- 1) Donations received during Declared Emergencies shall ~~go through~~ be coordinated with the Emergency Operations Center protocols Logistics Section Chief. The Auditor-Controller, as the Finance Section Chief, shall receive all cash donations directly and shall be provided all documentation for non-cash donations, including volunteer hours.

- a) Cash Donations: All checks and back up documentation shall be routed directly to the Auditor-Controller for receipt, tracking and acknowledgement. Back up documentation shall include a donor contact name, business name if applicable, and address if not on the check itself.

- b) Non-Cash Donations: ~~All donations~~ Donations of goods ~~are to be routed through Logistics who will receive the goods and obtain all required~~ should include back up documentation. ~~Documentation includes, but is not limited to;~~ this may include packing slips, zero-based invoices, written communication (including emails) providing any level of information regarding the donation, a donor contact name, business name if applicable, and address.

1. The General emergency donations of goods for countywide use (e.g., water, food, personal protective equipment) should be routed through the Logistics chief.

2. Donations during declared emergencies of goods for a specific county function (e.g., pet food for the animal shelter) should be coordinated with the Logistics Section Chief to mitigate the potential for duplicative expenditures (e.g., animal shelter personnel should inform the Logistics Section Chief as donations of pet food come in to avoid the Logistics Section ordering unnecessary pet food).

- ~~2)~~ During a declared emergency, the Auditor-Controller is responsible for depositing all cash received,

- ~~2)~~ sending all acknowledgment letters and tracking all donations. The donations will be reported during a public meeting when financial updates of the event are presented, or as part of the quarterly donation report to the Board.

## Exhibit A

### Board Resolution Summary

#### Gift Card/Bus Pass Log (Example)

USE ONE FORM PER MERCHANT												
MERCHANT'S NAME GIFT CERTIFICATES / GIFT CARDS												
											SIGN OR INITIAL	
DATE IN	CERTIFICATE NUMBERS	QUANTITY RECEIVED	VALUE OF EACH CERTIFICATE	TOTAL VALUE	NUMBER OF CERTS ISSUED	ISSUED CERTIFICATE #S	REMAINING VALUE OF CERTIFICATES	DATE ISSUED	ISSUED TO	REQUESTOR AGENCY	APPROVED BY (SIGNATURE)	ISSUED BY (SIGNATURE)
7/3/2022	201 - 226	25	\$ 25.00	\$ 625.00	3	201-203	\$ 550.00	7/20/2022	T. SMITH	HHSA-MH		
					4	204-207	\$ 450.00	8/3/2022	C. JONES	HHSA-PH		
					5	208-213	\$ 325.00	8/6/2022	C. JONES	HHSA-PH		
					10	213-223	\$ 75.00	8/8/2022	P. CANN	HHSA-IHSS		
					3	224-226	\$ -	8/10/2022	P. CANN	HHSA-IHSS		
8/3/2022	530-560	30	\$ 25.00	\$ 750.00	1	530	\$ 725.00	8/12/2022	C. JONES	HHSA-PH		
					4	531-534	\$ 625.00	8/15/2022	T. SMITH	HHSA-MH		
(YOU MAY ALSO ASSIGN ONE CERTIFICATE # PER LINE)												
9/3/2022	735	4	\$ 250.00	\$ 1,000.00	1	735	\$ 750.00	9/5/2022	C. JONES	HHSA-PH		
	736				1	736	\$ 500.00	9/6/2022	P. CANN	HHSA-IHSS		
	737				1	737	\$ 250.00	9/10/2022	T. SMITH	HHSA-MH		
	738				1	738	\$ -	9/11/2022	C. JONES	HHSA-PH		

	ACO- Approval	ACO- Approval	BOS- Approval	HHSA- Director	Library- Director	ACO-to- Report
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Summary of Board Actions by Dept.	Not-Required	Required	I-Required	Approval Required	Approval Required	Quarterly to BOS
<del>Auditor-Controller Resolution 05-40 (All Departments NOT included in Resolutions below)</del>						
<del>•Donations less than \$100</del>	<del>X</del>					<del>*</del>
<del>•Donations \$100—\$1,000</del>		<del>X</del>				<del>X</del>
<del>•Donations more than \$1,000</del>			<del>X</del>			<del>X</del>
<del>HHSA—Children’s Recovery Center and Child Welfare Services-Division Resolution 08-171</del>						
<del>•Donations \$1,000 or less</del>	<del>X</del>			<del>X</del>		<del>X</del>
<del>•Donations more than \$1,000 and up to and including \$10,000 that are not fixed assets</del>	<del>X</del>			<del>X</del>		<del>X</del>
<del>•Donations more than \$10,000 and fixed assets (\$5,000 or more)</del>	<del>X</del>		<del>X</del>			<del>X</del>
<del>HHSA—South Napa Center (Homeless Shelter) Resolution 06-120 (6/20/2006)</del>						
<del>•Donations \$1,000 or less</del>	<del>X</del>			<del>X</del>		<del>X</del>
<del>•Donations over \$1,000 and up to and including \$10,000 that are not fixed assets</del>	<del>X</del>			<del>X</del>		<del>X</del>
<del>•Donations more than \$10,000 and fixed assets (\$5,000 or more)</del>	<del>X</del>		<del>X</del>			<del>X</del>
<del>Library—Resolution 99-56</del>						
<del>•Donations \$10,000 or less from Friends of the Library groups</del>	<del>X</del>				<del>X</del>	<del>X</del>
<del>•Donations more than \$10,000 from Friends of the Library groups</del>	<del>X</del>		<del>X</del>			<del>X</del>
<del>•Donation \$2,000 or less from other donors</del>	<del>X</del>				<del>X</del>	<del>X</del>
<del>•Donation more than \$2,000 from other donors</del>	<del>X</del>		<del>X</del>			<del>X</del>
<del>•Fixed Asset Donations \$3,000 or less</del>	<del>X</del>				<del>X</del>	<del>X</del>
<del>•Fixed Asset Donations more than \$3,000</del>	<del>X</del>		<del>X</del>			<del>X</del>
<del>NCHA—Resolution 07-05 (Board of Commissioners 8/21/2007)</del>						
<del>•No acceptance limit. Reporting requirements are based on code.</del>	<del>X</del>					<del>X</del>

**: Non-Cash, Cash Equivalent Donations**  
**Log**

# Exhibit B

## Gift Card/Bus Pass Log (Example)

USE ONE FORM PER MERCHANT												
MERCHANT'S NAME												
GIFT CERTIFICATES / GIFT CARDS												
SIGN OR INITIAL												
DATE IN	CERTIFICATE NUMBERS	QUANTITY RECEIVED	VALUE OF EACH CERTIFICATE	TOTAL VALUE	NUMBER OF CERTS ISSUED	ISSUE DATE CERTIFICATE #S	REMAINING VALUE OF CERTIFICATES	DATE ISSUED	ISSUED TO	REQUESTED BY NAME	APPROVED BY (SIGNATURE)	ISSUED BY (SIGNATURE)
7/3/2022	201-226	25	\$ 25.00	\$ 625.00	3	201-203	\$ 550.00	7/20/2022	T. SMITH	HHSA-MH		
					4	204-207	\$ 450.00	8/3/2022	C. JONES	HHSA-PH		
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					10	213-223	\$ 75.00	8/8/2022	P. CANN	HHSA-IHSS		
					3	224-226	\$	8/10/2022	P. CANN	HHSA-IHSS		
8/3/2022	530-560	30	\$ 25.00	\$ 750.00	1	530	\$ 725.00	8/12/2022	C. JONES	HHSA-PH		
					4	531-534	\$ 625.00	8/15/2022	T. SMITH	HHSA-MH		

(YOU MAY ALSO ASSIGN ONE CERTIFICATE # PER LINE)



9/3/2022	735	4	\$ —250.0 0	\$— 1,000.00	+	735	\$ —750.0 0	9/5/202 2	C. JONES	HHSA- PH		
	736				+	736	\$ —500.0 0	9/6/202 2	P. CANN	HHSA- HSS		
	737				+	737	\$ —250.0 0	9/10/20 22	T. SMITH	HHSA- MH		
	738				+	738	\$—	9/11/20 22	C. JONES	HHSA- PH		

**: Thank ~~You-you~~ Letter (Example)**

(Use Department letterhead)

Date

Name-

Address 1

Address 2-

Dear Name,

Thank you very much for your generous gift of (cash amount or list of goods)\* donated to the Department and/or Program on Date. We deeply appreciate your support and are very grateful for your active involvement in our success.

(Optional: Insert program/event information about where donations are/will be used)

Your donation may be tax deductible to the extent allowed by law per Internal Revenue Code Section 170(c)(1) and California Revenue and Taxation Code Section 24359. Napa County's Federal Tax Identification Number is 94-6000525. No goods or services were provided to you in exchange for your donation.

Sincerely,

Name of Department Head, Title

cc: Tracy A. Schulze  
Napa County Auditor-Controller

*\*Do not include estimate value for non-cash donations! This is the responsibility of the donor for IRS purposes*

