

Title I – Finances and Accounting
1000 – ACCOUNTING FOR DONATIONS

A. PURPOSE

The purpose of this policy is to provide guidance on the required actions when the County of Santa Cruz receives a donation. The policy requires different actions based on the value of the donation and the type of donated item.

B. DELEGATION OF AUTHORITY

In accordance with Government Code Section 25355, the Board of Supervisors is authorized to accept or reject any gift or bequest made in favor of the County of Santa Cruz for any public purpose, and further authorizes the Board to delegate to any County officer or employee the power to accept or reject any gift or bequest made in favor of the County.

The Board of Supervisors has delegated authority to the following departments:

1. The Auditor-Controller-Treasurer-Tax Collector
2. The District Attorney for donations for use at the Multi-Disciplinary Interview Center (MDIC).

C. DONATIONS OF CASH OR STOCK WITH A VALUE OF \$10,000 OR LESS

In accordance with Government Code Section 25355, the Auditor-Controller-Treasurer-Tax collector is authorized to accept the following:

1. Cash donations.
2. Stock, the sale of which shall be immediately arranged by the Auditor-Controller-Treasurer-Tax Collector and the net sale proceeds deposited in the appropriate account.

D. DONATIONS OF CASH OR STOCK WITH A VALUE GREATER THAN \$10,000, TANGIBLE GOODS, CAPITAL ASSETS AND INTANGIBLE ASSETS

In accordance with Government Code Section 25355, County Departments shall:

1. Prepare an agenda item to the Board of Supervisors with a recommendation such as:

RECOMMENDATION:

- 1) Accept donation of \$\$\$\$ for the xyz County program; and
 - 2) Authorize the department to work with the Auditor-Controller-Treasurer-Tax Collector to issue the appropriate receipt and to take additional actions as necessary.
2. Arrange with the Auditor-Controller-Treasurer-Tax Collector for the sale of any stock and deposit the net sale proceeds in the appropriate account.

E. VALUATION OF CAPITAL OR INTANGIBLE ASSETS

In accordance with the State Controller's manual entitled "Accounting Standards and Procedures for Counties", the value of donated capital or intangible assets shall be determined as follows:

1. Donated capital assets should be reported at their acquisition value, on the date received, plus any ancillary charges, if applicable.
2. Surplus property purchases at nominal prices far below actual value are, in part, donations and should be so valued.

F. ACCOUNTING PROCEDURES

For cash donations, the following accounting procedures shall be used:

1. For cash donations with no restrictions and/or are fully earned, deposit the donation using GL Object 42372, "Contributions and Donations".
2. For cash donations with conditions that must be met first:
 - a. Deposit the donation initially using GL Object 22100, "Unearned Revenue".
 - b. Once the conditions have been met, the department shall prepare a journal entry to recognize revenue with a debit to GL Object 22100, "Unearned Revenue" and a credit to GL Object 42372, "Contributions and Donations".

For donations of tangible goods, capital assets and intangible assets, refer to Title I, Section 600 – Capital Asset Accounting, of the County of Santa Cruz Policy and Procedures manual.

G. APPLICABLE LEGAL AUTHORITY

The applicable legal authority for this Section includes, but is not limited to the following:

- California Government Code Section 25355
- County of Santa Cruz Ordinance Code Chapter 4.36 – Receipting and Deposits
- County of Santa Cruz Resolution 8-95 – Authorizing the Auditor-Controller to Accept Certain Cash Donations on Behalf of the Board of Supervisors
- County of Santa Cruz Resolution 61-95 – Amending Resolution 8-95
- County of Santa Cruz Resolution 394-98 – Amending Resolution 61-95
- County of Santa Cruz Resolution 7-2019 – Authorizing the District Attorney to Accept or Reject Gifts or Bequests in Favor of the County for Use at the Multi-Disciplinary Interview Center

Related Policies and Procedures
Title I, Section 600 – Capital Asset Accounting

H. HISTORY

Date	Changes Made
6/13/2023	Policy Amended