



September, 2024

DONATIONS

City departments will soon be planning for the holiday season. Determining the ins and outs of donations is often a big part of planning for these events. This edition of Ethics Matters covers the basics of donations.

Key definitions.

Donations, and gifts, are defined as a voluntary transfer of property (including the payment of money) or the conferral of a benefit having monetary value (such as the rendition of services or the forbearance of collection on a debt), unless something of equal or greater value is received by the donor.

The difference between a gift and a donation is that gifts are made to a person and donations are made to the city. What counts as a gift or donation is very broad and includes any “benefit”. A “benefit” means anything reasonably

regarded as monetary gain or advantage including money, real estate, products, services, goods, and financial or business relationships.

The general rules for seeking and accepting donations.

Donations to the city should be encouraged. It is critical that potential donors are not seeking anything, such as a contract award, from the department receiving the donation. Additionally, potential donors should not be attempting to influence or reward any official conduct by any department official or employee and they should not expect anything in return for their donation. So, the Code provides that a city employee, official, or department shall not ask for, accept, or agree to accept any donation to the city of money, real estate, products, or services that (1) reasonably tends to influence or reward the discharge of official duties.



Blow the Whistle! Our confidential hotline for reporting violations of the Code of Ethics is called the Whistle. The Code requires us to report violations **to the inspector general** when we see them.

Call 877.860.1061 or use the QR code.





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Drill down: Seeking donations for a non-profit that supports the work of a city department.

There are some departments that work with and through non-profits to accomplish a public purpose. In cases where the work of the non-profit supports the public purpose of a city department, city officials and employees are permitted to use city resources to seek and promote donations to the non-profit. An example would be where the non-profit operates a fund, the fund is governed by a designated fund agreement with the city, and the purpose of the fund is to support the mission of a city department. In these cases, it is important that no department, employee, or official receives, manages, controls, or distributes any donated funds.

Drill down: Seeking and accepting pass-through donations for private purposes.

Pass-through donations are donations collected by a city official, employee, or department and then distributed to others. An example would be collecting cash donations and then using the funds to purchase and distribute items for needy families. While it may be a worthwhile endeavor, this must be avoided because state law and the Code of Ethics prohibits a city employee or official from expending city resources (such as an employee's work time) to support a private purpose (such as helping needy families). As noted in the paragraph above, there are ways to accomplish the same ends by promoting donations to a non-profit that supports a department's public purpose.

Take a break and play Catch the Canary - its a mystery game that comes to your email, takes less than two minutes to play, and teaches ethics!





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Drill down: Soliciting donations from employees and ticket sale funds used for department events.

Every year around the holidays, the question is raised as to how department holiday events can be funded. Generally, the city cannot “grant public money or thing of value... to any individual” unless it is for a public purpose. Thankfully, increasing employee morale or productivity is a valid public purpose and using donations or proceeds from ticket sales to pay for a holiday party is acceptable if the goal of the party is to boost employee morale or productivity.

Drill down: Employee donations to the city.

There is no prohibition in the Code against city employees or officials making donations to the city. As always, donations must not be made to influence or reward

any official conduct by a department. An acceptable example would be an employee donating party decorations for use in a department event.

Drill down: Valuation of donations.

As with gifts, determining the value of a donation is not always straightforward. There are several methods including face value (the price listed on the item such as a ticket price), fair market value (what the public will pay for the item), or an estimate (educated guess). Perhaps the easiest way to determine value is to ask the donor what it's worth and getting something in writing from them for the records.

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Drill down: Reporting donations.

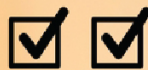
City employees, officials, and departments receiving donations to the city must report the donations to the city secretary and the city manager on a form provided by the city manager. Donations of a monetary value of \$1,000 or less, however, are not required to be reported, except that a city employee must report donations from a single source in a single calendar year (January to December) with a cumulative value of \$1,000 or more. To calculate the value of multiple small donations

received from a single source, go back to January 1st of the current year and add up the value of the donations from then to now. The individual or department that receives the donation is responsible for ensuring the donation is properly reported. The report must include:

(1) the date of the donation; (2) the identity of the person or the business entity making the donation; (3) the city official, employee, or department receiving the donation; (4) a description of the donation; (5) the estimated monetary value of the donation; (6) the intended use of the donation; and



City of Dallas



Hosted by Chief Integrity Officer

Baron Eliason

The Dallas Code of Ethics requires city employees and officials to receive ethics training on an ongoing basis at least every two years (12A-9(a)). Let's get it done!

ONGOING REQUIRED ETHICS TRAINING VIRTUAL

Join me to get your training
completed in this 35 minute review
of the Code of Ethics.



2024

Please join the meeting on
the first Tuesday of each month
at noon!



dal.city/Ethics

Meeting ID: **237 331 471 693**

Passcode: **eVAh5v**

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(7) the actual use and disposition of the donation. Note that the reporting form does not need to be sworn to by the reporter.

All donations made to a department must be documented to facilitate audits of donations. Further, all donations must be managed in conformance with the city's budget and accounting systems.

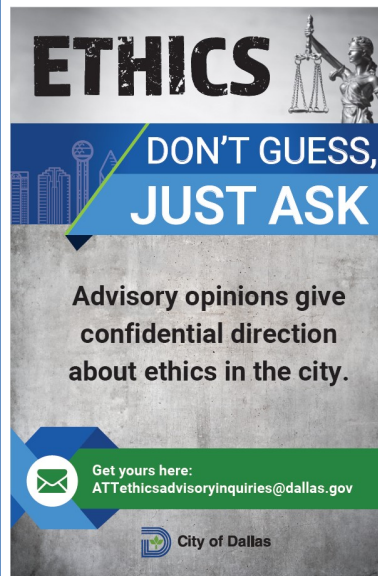
Key administrative directives to consult.

There are two administrative directives that should be top of mind when thinking about donations. The first is AD 2-6 which governs publications such as advertising. The second is AD 4-20 which governs handling cash and cash receipts.

What if I'm still not sure what to do about a donation?

You can get help in your specific case by seeking an advisory opinion by submitting an inquiry to ATTethicsadvisoryinquires@dallas.gov.

ETHICS POSTERS



PDF files of these posters are available at your request and can be posted in your department common areas.

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