METROPOLITAN GOVERNMENT OF
NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Gifts and Donations

Effective Date: January 26, 2015
Revision Date: September 16, 2025
Policy Number: 5.2
Sponsor: Grants Coordination

Purpose

The purpose of the Gifts and Donations Policy is to establish a uniform policy and procedures for accepting, documenting and communicating the acceptance of the gifts/donations to the Metropolitan Council and other appropriate officials within Metro Government.

Definitions

For purposes of this policy, a gift, donation, bequest, and/or contribution are all considered to mean the same thing. Distinguishing characteristics include:

- **Transfer of assets** (money/cash, real or personal property, negotiable instruments, life insurance policies, etc.) or service to the recipients;
- **Cash** includes cash, check, a transfer of a gift card redeemable for cash, and a payment made by credit card, electronic fund transfer, or an online payment service;
- **Non-Cash** contributions of property that do not meet the definition of cash above;
- **Unconditional** or **unrestricted** (from the perspective of the donor) transfer of assets;
- **May involve a letter or other document** (including a written contract) stating the terms of the donation/contribution/gift (often for grantor's tax purposes), but not restricting the use of the donation/contribution/gift;
- **Real property** refers to an immovable property or a subset of land that has been legally defined and the improvements to it made by human efforts such as buildings, machinery, wells, roads etc.;
- **Stock certificates** refer to shares representing fractions of ownership in a business or other investment instruments.
- **Stockholders** are individuals considered to be stakeholders with direct or indirect equity interest in a business entity.

Grants have the following distinguishing characteristics:

- **Conditional/restricted**, provided for a specific purpose usually with restrictions set by the grantor;
- Usually involves **formal agreements or contracts** describing those specific purposes and restrictions.

LTEQ: Less than or equal to.

General Policies

<u>Authority</u>

All departments, boards and commissions may accept and expend gifts/donations valued at $7,500 or less.

Gifts and donations valued above $7,500 may be accepted by boards or commissions specifically authorized in the Metro Code. While these gifts and donations may be accepted by the authorized boards and commissions, they must be appropriated by the Metro Council in order to expend the funds.

Gifts and donations valued above $7,500 to all departments, except those specifically granted authority to accept gifts/donations as authorized in the Metro Code; may be accepted and authorized for expenditure by Metro Council via a Resolution.

The Resolution accepting the gift/donation should include language which appropriates the revenue from the gift/donation to the respective recipient department's budget and authorizes it to expend those funds.

Approval for the acceptance of real property requires approval of an ordinance by the Metropolitan Council.

Review and approval for such gifts/donations is conducted by the Public Property Division of the Department of General Services following policies and procedures established by that division and are excluded from the provisions of the policy statement.

Reporting

All Departments, including those that currently have authority to accept their own gifts/donations should submit an annual report to the Grants and Accountability Division within the Finance Department by May 31st of each year, in a form and content as designated by the Finance Department, a summary of the donations received during the fiscal year.

Documentation

All relevant supporting documentation related to gifts/donations shall be maintained by the recipient department for audit and/or monitoring purposes. The documentation should include the following information at a minimum:

- Type of Donation (Cash/In-kind)
- Department recipient
- Donor
- Receipt date
- Amount
- Purpose

Valuation of Non-Cash Donations

Recipient departments should work with Department of Finance's Division of Accounts to determine an appropriate method to value non-cash donations with estimated values above $7,500.

The recipient department may estimate the value of noncash donations valued to be less than $7,500. Values should not be stated in Donation Acknowledgement letters to recipients.

Valuation of Cash Donations

Upon request of a donor, the receiving department may provide an acknowledgement letter for receipt of cash donations valued in excess of $250.00 and less than $7,500. Such letter shall be retained in the departmental files for audit purposes.

The Finance Department shall be responsible for providing guidance to departments as to the form and content of the letters of acknowledgment for cash donations and gifts.

Finance Department Coordination of Procedures

The Finance Department shall be responsible for developing procedures for implementing acceptance, documentation, and monitoring of gifts and donations for departments of the general government.

Departments Authorized to Accept Gifts/Donations by Metro Code (Public Library, Planning Commission, Social Services, Metro Action Commission, Parks, and Arts Commission)

Recipient departments, specifically authorized to accept gifts/donations in the Metro. Code, receiving gifts/donations above $7,500 shall be responsible for obtaining the necessary legislation authorizing the expenditure of the gift/donation from the department's Legal representatives, obtaining the required Metro signatures, and ensuring legislation is filed with the Metro Council Office for consideration by the Metropolitan Council.

Departments NOT Authorized to Accept Gifts/Donations by Metro Code

Recipient departments, except those specifically granted authority to accept gifts/donations in the Metro Code, receiving gifts/donations above $7,500 shall be responsible for obtaining the necessary legislation authorizing the acceptance and expenditure of the gift/donation from the department's Legal representative, obtaining the required Metro signatures, and ensuring legislation is filed with the Metro Council Office for consideration by the Metro Council.

Budgeting for Gifts/Donations

To facilitate budgeting for gifts and donations equal to or under $7,500, the recipient department should work with Finance's Office of Management and Budget to complete the Budget Journal to establish the budget.

As part of the annual budgeting process, any fund balance remaining in a donation fund should be considered and budgeted for in the next fiscal year based on the spending plan for the donation for the coming fiscal year.

Accounting for Gifts/Donations $7,500 and Under

In order to facilitate accounting for gifts and donations equal to or under $7,500, the following object accounts and subsidiaries should be used:

- 409100 LTEQ (≤) $7.5K for cash contributions
- 409300 LTEQ (≤) $7.5K for non-cash contributions

Applicable Local, State or Federal Regulations

Metro. Charter art. 8 § 8.103: The director of finance shall be responsible to the mayor for the administration of the financial affairs of the metropolitan government.

Metro. Charter art. 8, § 8.104: The budget officer, with the advice and assistance of the chief accountant, shall write, revise and maintain a proper standard procedure instruction manual to be followed by all officers, departments, boards and other agencies of the government to ensure uniform accounting and budgetary procedures.

Metro. Charter art. 8, § 8.105: The chief accountant shall maintain a general accounting system and such cost accounting records as shall be required by the director of finance.

Metro. Charter/Code provide for the direct acceptance of gifts/donations by some Metro departments. These include Library (Metro. Charter § 11.1203), Planning (Metro. Charter § 11.504), Social Services (Metro. Charter § 11.1102), Metro Action Commission (Metro. Code 2.108.050), Parks (Metro. Code § 13.24.040) and Arts Commission (Metro. Code § 2.112.040).

Internal Revenue Service Publication 526, Charitable Contributions (2024).

Tenn. Code Ann. § 5-8-101 allows Counties (and metro governments) to accept and receive gifts and donations of money, intangible personal property, tangible personal property and real property. If any such gift or donation is offered subject to conditional or restrictive terms, then the gift must be accepted by majority vote of the county legislative body and must be used by the county subject to the terms of such conditions or restrictions.

Ordinance No. BL2022-1251: An ordinance amending Title 5 of the Metropolitan Code regarding the approval of grants and the authority of Metropolitan Government departments, boards, and commissions to accept donations.

Associated Policies

None.

Effective Date

This Policy Statement shall become effective upon issuance and shall be applied to all Metro departments and agencies.

Approvals

Approval of the Director of Finance

I hereby approve this Policy Statement of the Department of Finance and as such agree with and authorize the actions necessary to implement its requirements.

Jenneen Reed

Director of Finance

Date: September 16, 2025