

# CITY OF HUDSON

## Policy on Accepting Funds from Nonprofit Organizations for Public Projects

### A. Purpose

To establish a transparent, accountable, and legally compliant process for accepting financial or in-kind contributions from nonprofit organizations to support city-sponsored public projects.

### B. Scope

This policy applies to all departments and officials of the City of Hudson involved in the solicitation, acceptance, and administration of donations to the City from nonprofit entities.

### C. Policy Statement

The City of Hudson may accept donations from nonprofit organizations for designated public projects, provided such contributions meet all the following criteria:

1. Align with the City's strategic goals and values;
2. Do not create a conflict of interest or violate any laws or regulations; and
3. Are documented and administered in accordance with this policy.

### D. Requirements for Nonprofit Organizations

To be eligible to contribute to a City project, the donation must be from a nonprofit that meets the following criteria:

#### 1. Legal Status

- a. The company must be a registered nonprofit organization in good standing with the state ~~of Ohio in which it was established~~ and be able to demonstrate its status with the state with official filings ~~from the Secretary of State~~;
- b. The nonprofit must be a registered 501(c)(3) organization in good standing with the IRS and be able to provide a copy of its IRS determination letter (or an IRS acknowledgment of the nonprofit's application for such status).

## 2. Transparency

- a. The nonprofit must submit a written proposal detailing the purpose, amount, and intended use of the donation. The plan will be final, based upon the written proposal. A full new proposal will be required if any changes are to be made;
- b. The nonprofit must affirmatively disclose in writing any affiliations with political candidates, lobbying efforts, or other entities that may pose a conflict of interest; and
- ~~c. Any City official with a leadership role in the nonprofit must disclose such relationship and comply with all applicable ethics and conflict requirements under Ohio law. The nonprofit must have no current elected officials or candidates for elected office as a part of the leadership or playing a significant role in the organization.~~

## 3. Use of Funds

- a. Upon acceptance of a donation, the City shall make reasonable efforts to use the donated funds for the project's intended purpose;
- ~~a.b.~~ The nonprofit must agree that funds will be used solely for the specified public project and public purposes; and
- ~~c.~~ The nonprofit must understand and acknowledge in writing that the project cannot be altered once finalized and that the City retains full control over project execution and fund allocation; and
- ~~b.d.~~ If the project becomes no longer feasible, the City may approach the donor to approve a reallocation of donated funds for alternative uses. If the donor does not approve the alternative use(s), the City shall refund any remaining portion of the donation that is not already subject to a binding contractual or other legal commitment incurred before the donor declines.

## 4. Documentation

- a. Sign a Donation Agreement outlining terms, conditions, and responsibilities; and
- b. The nonprofit must provide financial documentation if requested (e.g., audited financial statements).

## 5. Acknowledgment

- a. The nonprofit may be publicly acknowledged, but such recognition must not imply endorsement of the nonprofit's other activities or political positions (which are prohibited).

## 6. Compliance

- a. The nonprofit must comply with all applicable federal, provincial, and municipal laws; ~~and~~

b. The nonprofit must not use the donation as a means to influence city policy or decisions; and

b.c. All projects funded in whole or in part by donations shall comply with the state of Ohio and the City's procurement, contracting, and competitive bidding requirements. Donors shall have no authority to select or direct the City's selection of contractors, vendors, or service providers.

#### **E. City Responsibilities**

1. The City must review final proposals and approve all donations through the appropriate department and with the City Solicitor;
2. The City must maintain accurate records of all donations and their use; and
3. The City must ensure public transparency through reporting on projects where donations have been approved and received under this policy.

#### **F. Prohibited Donations**

1. The City will **not** accept donations that:
  - a. Are tied to political endorsements or campaign activities;
  - b. Require the City to act outside its legal authority; or
  - c. Come from organizations not in good legal or ethical standing.

#### **G. Forms**

1. Application
2. Ohio Legal Status
3. Nonprofit Status (IRS)
4. Proposal – Plans for Public Purpose Donation
5. Disclosure / Affirmation of No Political Involvement
6. Acknowledgement of City Project Management, No City Endorsement, and No Improper Influence
7. Donation Agreement