



STAFF REPORT

DATE: 05/21/2025
TO: Honorable Mayor and City Council Members
FROM: City Manager's Office

2025-214

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

UPDATED DONATION AND SPONSORSHIP POLICY

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a Donation and Sponsorship Policy.

RECOMMENDED ACTION:

That the City Council approves the proposed Donation and Sponsorship Policy.

BACKGROUND & HISTORY:

The City has historically received various forms of donations and sponsorships from community members, local businesses, and outside organizations. However, these contributions have not been governed by a consistent policy framework. In response, staff have developed a policy to bring clarity, transparency, and efficiency to the process of receiving and managing donations and sponsorships. The Donation and Sponsorship Policy (Policy) will set guidelines for accepting donations and reviewing sponsorships in addition to serving as a foundation for future outreach and engagement with potential donors and sponsors.

ANALYSIS:

The Policy applies to both donations and sponsorships for programs, events, and capital improvements. For donations, the policy identifies two categories: general donations (for City-wide needs) or restricted donations (for specific departments, locations, or purposes). Unlike sponsorships, donors will not receive marketing, promotional, or other

tangible benefits in exchange for their individual contribution. However, the City may choose to recognize donors as a group in some manner as deemed appropriate. For sponsorships, the Policy identifies how sponsors may support programs, events, or capital improvements and be recognized commensurate with their sponsorship level. Specific sponsorship recognitions will be determined by the recipient City department. Recognition will not include naming rights as that will continue to be governed by City Policy 06400.001 (City Property Naming Rights and Honorary Naming).

The Policy also provides a framework for reviewing donations and sponsorships from regulated Age-Restricted Businesses. These businesses require customers to be of a certain age to purchase their products or services, including but not limited to alcohol retailers, cannabis dispensaries, and tobacco and vape shops. These businesses operate under specific legal and regulatory requirements. Through this policy, these businesses may provide general or restricted donations. They may also sponsor programs/events only if they primarily serve adult audiences (defined as at least 71.6% of participants being 21 or older) and are subject to additional review.

Finally, the Policy provides the City with discretion to accept, reject, or discontinue any donation or sponsorship. Generally, the City will not accept or maintain donations or sponsorships that are not in the best interest of the City. Additionally, the City will not accept donations or sponsorships from businesses defined as adult businesses under Section 17.41.020 of the Corona Municipal Code. These businesses are separate from Age-Restricted Businesses as defined within the policy.

On May 7, 2025, the City Council reviewed the first draft of the Policy. As part of their feedback, the Council requested that staff add language to the policy indicating that the City would not accept or maintain sponsorships from political groups. The updated Donation and Sponsorship Policy includes the following sentence as part of Section 4.4C: "The City will not accept or maintain sponsorships from political parties, elected officials, and politically oriented causes or campaigns."

In conclusion, the proposed Policy supports a consistent and strategic approach to managing external contributions while safeguarding the City and community interests. Adopting this policy positions the City to build stronger partnerships with our community and corporate stakeholders and provides a consistent framework for doing so.

FINANCIAL IMPACT:

There is no financial impact associated with the recommended action.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt if it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment. Adopting a Corporate and Community Giving Policy is an administrative action and does not involve physical changes to the environment or

approval of any project that could impact environmental resources. Therefore, this policy is not subject to CEQA, and no further environmental analysis is required.

PREPARED BY: NICOLE MCDANIEL, ASSISTANT TO THE CITY MANAGER

REVIEWED BY: JUSTIN TUCKER, ASSISTANT CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Updated Donation and Sponsorship Policy