



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Director, Finance

SUBJECT: SUPPLEMENTAL – FY2021-22
Annual Report on Grants, Gifts, and
Donations up to \$50,000

DATE: July 12, 2023

City Administrator Approval


Jestin Johnson (Jul 14, 2023 09:47 PDT)

Date: Jul 14, 2023

RECOMMENDATION

Staff Recommends That City Council Receives A Supplemental Informational Report From The City Administrator On The Acceptance And Appropriation of Restricted Grant Funds, Gifts, And Donations Of \$50,000 Or Less For The Period Of July 1, 2021, Through June 30, 2022.

REASON FOR SUPPLEMENTAL

Staff recommends that City Council receive responses to questions raised during the June 27, 2023, Finance & Management Committee Meeting related to the Fiscal Year (FY) 2021-22 Acceptance And Appropriation of Restricted Grant Funds, Gifts, And Donations Of \$50,000 Or Less report. Specifically, the Committee directed staff to:

1. Explain how members of the public can donate to the City, and;
2. Establish a portal and/or web-based system to accept online donations and explain the timeline for establishment, specifically around the jobs program, and
3. Confirm that the contract for the Lake Point Tiny Homes with Housing Consortium of the East Bay (HCEB) was in compliance in terms of the two meals per day, and that they take into account the food donations from the Lakeshore Methodist Church, in addition to the funding that our contractors receive.

How to Donate to the City

Pursuant to [Section 2.04.160 of the Oakland Municipal Codebook \(OMC\)](#), the City is authorized to accept up to \$50,000 yearly from any one source in grants, gifts, and donations in the form of money, service, or property without City Council action as long as it is for an existing program or project that has been approved by the City Council through the Adopted Budget or by City Council legislation during the fiscal year. Currently, the process to accept donations under \$50,000 are administered through the process established by AI 1052. Per AI 1052, a donor can submit a donation to staff in monetary or non-monetary form to the Department that oversees the existing program or project and completes a "Request for City Administrator Acceptance of Restricted Grants, Gifts and Donations Under 50,000" form to collect information required to determine eligibility, including donor information, the specific program that the donation is for, and the time period during which the program was funded by Council. This form is then forwarded by the corresponding department receiving the donation to the Budget Office and the City Administrator for approval.

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Currently, the City of Oakland provides the opportunity to donate online directly to the Mayor's Community Toy Drive through [City of Oakland | City of Oakland Mayor's Community Toy Drive \(oaklandca.gov\)](#).

The City also enables donating through the City's website to enhance other City programs indirectly. The City's Parks, Recreation, and Youth Development Department is in part supported by donations to its foundation through [City of Oakland | Donate to the Oakland Parks & Recreation Foundation \(oaklandca.gov\)](#). Donors may donate to enhance Library services by donating to the Friends of the Oakland Public Library through [Get Involved | Friends of the OPL \(fopl.org\)](#). The City encourages benefactors and connects them to third party organizations working with the City to combat homelessness through [City of Oakland | What You Can Do to Help Reduce Homelessness \(oaklandca.gov\)](#), including the [Keep Oakland Housed | Home](#) organization which accepts online donations.

Establish a Donation Portal

[Section 2.04.160 of the OMC](#), restricts donations that may be accepted only “for a program or project that has been approved by the Council in the biennial or mid-cycle operating or Capital Improvement Program (CIP) budget, or by City Council legislation during the fiscal year”. Workforce development programs budgeted in the FY23-25 Adopted Biennial Budget and therefore eligible to receive donations to support jobs programs include the Mayor's Summer Job Program, the Day Laborers Project, support for the Workforce Innovation and Opportunity Act Adult and Youth Service Providers, and support for the West Oakland Jobs Resource Center.

The City of Oakland is dedicated to supporting non-profits and organizations that are affiliated and/or partnering with the city government. City staff is currently utilizing social media to raise awareness and amplify the work of our partners and non-profits in order to support their fundraising efforts. City staff shares posts, stories, videos, livestreams etc. highlighting partner organizations, initiatives, success stories, upcoming events, and calls to action. Organizations are tagged by City staff in social media posts, and relevant hashtags are used to increase visibility. In addition, City staff engages with partner content, and by actively engaging we increase their reach and help generate more interest and support. City staff recommends driving traffic and engagement to the organizations' direct sites and social media handles so partners can engage more effectively with their supporters to lead them to donate.

Per Council's direction, staff will explore a citywide online donations portal, as well as one specifically dedicated to fund raise for the jobs program. These are longer term projects that would need funding and coordination with ITD and the departments managing the various programs.

ITD estimates the cost to set up the portals will range between \$75,000 - \$150,000. This work would require integrating the portal with an online payment system in order to accept the funds with proper accounting functions. Otherwise, the accounting work is entirely manual and staff intensive.

Please note that having a web page on the City website with links to the City-affiliated organizations, would not incur any additional cost to the City, however there may be an administrative cost of keeping it updated and maintained. However, should the City choose to create its own online portal to collect donations, there would be ongoing costs to procure and

maintain software, and to have staff assigned to manage and track those funds on behalf of the non-profit entity. These costs must be weighed against other responsibilities of the Finance Department which include migrating City financials to a more secure cloud-based system, configuring the system to improve functionality and ease of use, and the myriad of regulatory obligations that the City must meet as part of its mandated fiduciary responsibilities. Furthermore, the City may have to enter into separate agreements with the organizations to allow the City to collect funds on their behalf and then to release those funds over to the organization. Lastly, the following should be considered before the City should establish its own portal to collect donations on behalf of non-profit organizations.

1. **Trust:** From a user experience perspective, it may feel strange to users to donate through the City's website. Most donation services have a service fee to use them. Users may be suspicious that the City would take part of the proceeds to offset administration costs.
2. **Accessibility:** Any payment gateway must be compliant for accessibility in accordance with the Web Content and Accessibility Guidelines (WCAG) 2.0 and that any gateway is mobile compatible.
3. Successful donation campaigns that drive traffic to the Oakland website may compete with campaigns of the individual organizations. Users searching for "how to donate to Chabot" for example, may see the Oakland website get a higher search engine listing. Many organizations rely on search engine optimization (SEO) strategies to achieve higher placement in web searches.
4. **Time to access funding:** If the City were to collect funds on behalf of other organizations, the funds would have to work their way through the City's financial systems before being available for the organization to access.

Lake Point Tiny Homes Contract Compliance

Per HSD Staff, HCEB confirmed that they provided 2 meals per day, breakfast and dinner. In addition, HCEB also accepted and provided additional donated meals and food, including a daily donated lunch.

HCEB's annual food budget was \$120,450 which equals approximately \$10,000 per month for 60 individuals. This is approximately \$166 per person monthly, or \$5 - \$5.50 per day.

Jestin D. Johnson, City Administrator

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ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive A Supplemental Informational Report From The City Administrator On The Acceptance And Appropriation Of Restricted Grant Funds, Gifts, And Donations Of \$50,000 Or Less For The Period Of July 1, 2021 Through June 30, 2022. For questions regarding this report, please contact Bradley Johnson, Budget Administrator, at (510) 238-6119.

Respectfully submitted,



[Erin Roseman \(Jul 14, 2023 09:16 PDT\)](#)

ERIN ROSEMAN
Director, Finance Department

Reviewed by:
Angela Robinson Piñon
Deputy City Administrator

Michael Enslow
Acting Assistant to the City Administrator

Tina Risker
City Administrator Analyst

City Council
July 18, 2023