


DATE January 7, 2004

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: DESIGNATION OF MUNICIPAL RECREATION PROGRAM
SUBACCOUNTS 1751 to 1759 FOR RESTRICTED USE OF DONATED
FUNDS TO RECREATION AND PARKS PROGRAMS AND FACILITIES

G. Stigile	_____	H. Fujita	_____
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L. Barth			


General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board designate internal Subaccounts 1751-1759 in the Municipal Recreation Program (MRP), Fund 0001B, for the exclusive and restricted deposit and expenditure of funds donated to local recreation, child care, and senior centers, as well as to museums, special facilities, and program managers, in accordance with the policies set forth below.

SUMMARY:

From time to time, individuals and organizations may make donations of funds by cash, check, or other instrument to recreation centers, child care centers, senior citizen centers, museums, special facilities such as Griffith Park, or special programs such as CLASS for the purposes of supporting particular programs or for general use at a particular facility. These donations are accepted and acknowledged by the Board by action on individual Reports of the General Manager, or in approving a Report which compiles donations to a Region over a period of time. Larger donations, or donations made in support of capital projects or major purposes, are placed in appropriate capital accounts, identified in the Report. Otherwise, the funds received are placed in the MRP account for that facility, so that the funds can be used immediately for support of the facility or program.

Most centers, museums, and special facilities in the Department have an individual MRP account assigned, which is used principally as a revolving fund for the receipt of fees and charges. This revenue is in turn used to fund the salaries of part-time instructors and staff, and for materials, to conduct fee-based programs. Donations received usually help supplement on-going program expenses, such as buying equipment, or costs of annual special events, such as Halloween parties.

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On occasion funds are transferred from one MRP account to another, such as when funds between centers are pooled to pay for a neighborhood special event, or the class receipts for an activity are transferred from a center with insufficient registration to another where the class is fully funded. Funds can also be transferred within an MRP account from one subaccount to another. Generally, this involves the transfer of that portion of the general receipts (Subaccount 1702) which are needed to pay for the instructors or staff, to the account from which salaries for part-time are paid (Subaccount 1700). The procedure for transferring funds, with appropriate oversight of supervisory staff, is described in detail in the MRP Instruction Manual.

Persons and organizations who donate even small amounts to specific facilities or programs ask for assurance that their donations will get used only for that purpose. It is not practical or efficient to utilize special capital accounts to receive and expend these donations, both because of the volume and because they are usually needed immediately to help with program costs. Staff is therefore recommending that a block of subaccounts be set aside for donations, and that certain restrictions be placed on deposits, expenditures, and transfers to and from that block of subaccounts. These conditions will be formulated into an amendment to the MRP Instruction Manual after review and adoption of this recommendation by the Board.

- ▶ MRP Subaccounts 1751-1759 shall be designated as "Donations."
- ▶ All cash, check, or similar donations to facilities, unless designated for capital construction or major purchase, shall be deposited immediately to Subaccount 1751-1759.
- ▶ All donations of \$100 or more shall be reported for acceptance to the Board as soon as possible.
- ▶ All expenditures from Subaccounts 1751-1759 shall be in conformance with the conditions of the donors as reported to the Board in the acceptance Report.
- ▶ No funds can be transferred from Subaccounts 1751-1759 to another MPR fund without the express approval of the Board.
- ▶ No funds can be transferred from Subaccounts 1751-1759 to any other Subaccount in the same MRP fund without the express approval of the Board, except for expense reimbursement, which can be approved by the General Manager or designee if demonstrated to be in accordance with the purpose of the donation.

These policies will provide a framework for receiving and utilizing donations that will confirm the Department's obligations to their use and increase donor confidence. The Chief Accounting Employee will also be leading a Department committee to be convened for the purposes of reviewing the current practices of expending donations.