Town Council Work Session
Agenda Item 2.b.

Agenda Item: **Proposed Community Donation Policy - Follow Up**

Meeting Date: February 10, 2026

Category: Discussion

Prepared by: Dan Hoffman, Town Manager

Description:
At the direction of Town Council, staff prepared a draft Community Donation Policy for Town Council consideration, which was first presented and discussed during the January 13, 2026 work session. As a follow up to that discussion, staff has tested the Evaluation Criteria included in the draft policy utilizing several hypothetical donation scenarios. This evening's discussion will focus on reviewing the results of those test scenarios and staff is seeking Town Council direction on adjustments to the Evaluation Matrix and/or policy as we work toward scheduling adoption of this comprehensive policy, replacing existing donation policies.

Background/Timing Impact:
In 2023, the Town Council repealed the Town's charitable/non-profit donation policy, which was an application process by which nonprofit organizations could request a donation from the town for programs or services benefiting the Herndon community. Since then, as part of the annual budget process, Town Council has approved direct donations to arts organizations operating within the Town of Herndon. The repeal of the charitable or non-profit donation policy eliminated the Town's competitive, open process through which community organizations could request funding for events, activities, and programming intended to benefit the broader community.

In early 2024, and in recognition of the desire to support community events beyond the specific arts organizations receiving funding through the Town's budget process, Town Council established the Community Cultural Festivals Donation Policy. This policy created a mechanism for nonprofit organizations to request funding support for new events held within the Town. Since its adoption, the policy has been amended twice, and funding has been included in the FY 2024, FY 2025, and FY 2026 budgets. In addition, the Town Council recently adopted a small donations policy that provides authority to the Town Manager to approve small donations of less than $250.

Since the inception of the Community Cultural Festivals Donation Policy, staff has provided Council with multiple updates regarding the status and use of the program, as well as briefings on the Town's broader event programming and special event review process. Separately, the Town has continued to allow local organizations to utilize Town

property for community events through an established special event permitting and review process.

With Council's stated goals of: (1) supporting representative and diverse community event programming within the Town, and (2) supporting local nonprofit organizations, Council directed staff to develop a more comprehensive and consistent donation program that would better achieve these objectives.

During the January 13, 2026 work session, staff briefed the Town Council on a proposed Community Donation Policy that consolidates and replaces the existing De Minimis (small) Donation Policy and the Community Cultural Festivals Donation Policy. The proposed policy establishes a single, comprehensive framework for community donations, including clear standards, eligibility criteria, and an administrative review and approval process. As a result of that discussion, staff has evaluated several test donation scenarios utilizing the Evaluation Matrix included in the proposed policy. This exercise will provide Town Council and staff with additional information in evaluating the Evaluation Matrix and allow Town Council to provide further direction to staff in moving toward adoption of the policy.

Timing Impact:
Considering and adopting the comprehensive Community Donation Policy early in the calendar year will support Town Council in allocating and appropriating donation funding as part of the FY 2027 budget process. Upon adoption, the policy would take effect immediately, with staff preparing to launch the program in late spring using funds appropriated in the FY 2027 budget. Funding levels for the program remain at the discretion of Town Council.

Establishing Council direction on community donations at this time will also allow staff to provide clear and consistent guidance to organizations currently receiving Town support, particularly for events planned for late 2026 and 2027. Many community organizations begin planning large-scale events a year or more in advance, and early policy direction will support effective planning and coordination.

Strategic Focus Area:
Strong Fiscal Stewardship
Good Governance
Thriving Community

Fiscal Impact:
Donations are discretionary and subject to Town Council approval through the annual budget process. Any funding designated for community donations will be allocated and appropriated by Town Council as part of that process. Distribution of approved funds will be administered in accordance with the Town Council–adopted Community Donation Policy and applicable administrative guidelines.

Legal Impact:
In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

Staff Recommendation/Next Steps:
Staff requests Town Council feedback and direction on the proposed Community Donation Policy. Following Council input, staff recommends that the policy be scheduled for consideration and action at a future regular Town Council meeting.

Attachments:
1. Policy (DRAFT)
2. Presentation (PowerPoint)