Town Council Work Session
Agenda Item 2.d.

Agenda Item: **Community Donation Program — Policy Review**

Meeting Date: November 4, 2026

Category: Discussion

Prepared by: Kirstyn Jovanovich, Interim Town Manager

Description:
The Town Council adopted Resolution 26-G-17 on March 24, 2026, creating the Town of Herndon Community Donation Program and replacing the Town's previous donation programs. This comprehensive donation program provides clear and consistent guidance, as well as greater opportunity for non-profits to participate as compared to previous donation program policies. After adoption of the policy statement, Town staff piloted the program during the FY 2027 budget process, with program rollout in late March 2026 and award notifications sent in late June 2026. At the conclusion of the pilot program, staff internally reviewed the process, as well as held a feedback session with program participants.

This discussion item is to provide feedback to Town Council on the program and discuss any proposed changes to the policy ahead of the FY 2028 program open application period beginning in January 2027.

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In 2023, the Town Council repealed the Town's charitable/non-profit donation policy, which was an application process by which nonprofit organizations could request a donation from the town for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. At the time, as part of the annual budget process, Town Council 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 Herndon 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.

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. As a result, staff prepared a Community Donation policy for Council consideration that replaced the De Minimis (small) Donation Policy and the Community Cultural Festivals Donation Policy, which was adopted on March 24, 2026. The policy includes an Evaluation Matrix set by Council that provides guidance to staff in reviewing and scoring donation applications. Town Council sets the funding amount as part of the annual budgeting process and the Town Manager implements and manages the application and award process in accordance with the policy.

Staff is seeking feedback from Town Council based on program feedback on any changes to the policy, including the Criteria Matrix. A summary of the program feedback from staff and participants is provided below.

Program Feedback

- Appreciated the matrix; provided clear guidance on program requirements
- Consider the weight of economic impact and community benefit criteria; special events scored much higher than humanitarian programs or services that serve a specific or smaller population
- Reporting requirement - consider a calendar year, vs. fiscal year; relates specifically to ongoing programs or services vs. events
- Require both total organization budget and program budget in order to better understand other funding sources; provide template for budget as part of application
- The $50K cap skewed the requests; consider highlighting the smaller bucket that is available (up to 25% reserved for requests of $2,500 or less)
- Use different application tool; realign questions to match matrix criteria and supplement with attachments
- Schedule virtual session during open application period

FY 2027 Program Results

Sixteen organizations received donations through the FY 2027 Community Donation Program. Town Council appropriated $200,000 for the program in FY 2027, and $195,070 has been awarded through the program. Awarded programs and activities range from community events to school and education programs to food insecurity support. See the attached report.

FY 2028 Timeline

The Community Donation Program will open for applications beginning in January each year in order to inform Town Council as to the level of requests as part of the annual budgeting process. Funding appropriation decisions are at the discretion of Town

Council.

- January 1 - February 15: Program Rollout, Application Period Open
- March 1 - May 1: Staff Review & Evaluation
- May 2 - June 1: Award Determination
- July 1: Award Notification

Timing Impact:
The application period for the FY 2028 Community Donation Program will open in January and Town Council will consider funding levels for the donation program as part of the FY 2028 budget process, with funding available starting July 1, 2027. Town Council should consider and take action on any changes to the policy prior to January 1, to ensure that the program is administered appropriately in accordance with the updated policy. If the Town Council proposes no changes, the existing policy will be utilized to administer the donation program for FY 2028.

Strategic Focus Area:
Good Governance
Thriving Community
Strong Fiscal Stewardship

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 is seeking feedback from Town Council on proposed changes to the policy, if any. If Town Council directs changes to the policy, staff will prepare a revised draft policy and schedule for review and action at a future Town Council regular meeting.

Attachments:
1. Policy, Community Donation Program
2. Memo, FY 2027 Donation Program Awardees (July 2026)