

	Agency-Wide Substantive Policy	ADEQ
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	Donations for the Employee Recognition Program	Policy No.:0501.2023
		Effective: 1/1/2023

This Substantive Policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under Arizona Revised Statutes section 41-1033 for a review of the statement.

1.0 **Purpose**

Pursuant to A.R.S. § 41-1001(24), “substantive policy statement” means a written expression which informs the general public of an agency’s current approach to, or opinion of, the requirements of the federal or state constitution, federal or state statute, administrative rule or regulation, or final judgment of a court of competent jurisdiction, including, where appropriate, the agency’s current practice, procedure or method of action based upon that approach or opinion. The clarification provided in this substantive policy statement has been determined by ADEQ to meet applicable state and federal law and, therefore, ADEQ provides this substantive policy to assist persons in interpreting rules pertinent to ADEQ. Notwithstanding this substantive policy statement, ADEQ may consider alternative approaches to comply with applicable law.

Pursuant to A.R.S. 41-709, ADEQ may accept gifts and donations from a public entity, a private entity or any person for the conduct of employee recognition programs. Gifts and donations for employee recognition programs are subject to the requirements of A.R.S. Title 35, Chapter 1, Article 3 (Control of Receipts and Expenditures) and Title 41, Chapter 23 (Arizona Procurement Code). This policy establishes procedures and guidelines for ADEQ to lawfully accept donations for its Employee Recognition Program. In addition, this policy confirms ADEQ's intent to support the recognition of employees who are focused on its mission to protect and enhance public health and the environment.

2.0 **Definitions**

ADEQ Donation Acknowledgement and Receipt

An ADEQ form that the donor and ADEQ use to acknowledge that the donation will be used exclusively to support employee recognition.

Declaration of the State Comptroller - Deductibility of Contributions to the State, Form Number GAO-801

A General Accounting Office (GAO) form that may be provided to a donor in support of tax deduction purposes by any individual or organization making a contribution to the State of Arizona, its agencies or components to support a public purpose.

Donation Portal

A webpage created by ADEQ located on the agency's public website used to receive, process, monitor, and track donations.

Employee Recognition Fund

A fund used to track the accounting entity's resources and the claims against those resources for the purpose of ADEQ's employee recognition.

Employee Recognition Program

A set of procedures adopted by a State agency to recognize and reward the performance, achievement and longevity of applicable employees.

Office of the Arizona State Treasurer (OST)

The OST serves as the State's bank, fiduciary agency and investment manager.

Public Money

Money that has been collected by the State and/or deposited with the OST. Public money may only be expended in connection with a valid public purpose and is subject to restrictions governing its expenditure.

3.0 Policy Statement

The ADEQ donation portal will only accept monetary donations. The donation portal will ensure that each donation flows through the established operational controls.

All donations will be deposited directly to the Employee Recognition Fund. Donations will not be repurposed or used in any other manner than for the purpose of ADEQ's Employee Recognition Program. Once a donation has been accepted by ADEQ it must and will be treated as public money. The Employee Recognition Fund is not exempt from any internal controls or safeguarding set forth by ADEQ or the State of Arizona concerning public money.

Donations

ADEQ will only accept a donation if doing so is within the powers and duties assigned to ADEQ by Arizona statute. Only donations meant for a valid public purpose consistent with ADEQ's mission and mandates will be accepted. ADEQ will not accept a donation if doing so would violate state or federal law, rule, or policy. ADEQ will only accept a donation if the benefit to the State outweighs the cost of accepting the donation.

To avoid conflicts of interest or appearance of influence, the donor's information will be kept confidential and will not be provided to programmatic staff. This includes all of the information that is required when submitting a donation through the ADEQ donation portal. The visibility of donors will be limited to only those financial staff who must process the transaction and the Chief Financial Officer of ADEQ.

ADEQ will not solicit donations from public entities, private entities, or any person. This includes but is not limited to advertising, campaigning, or propositioning

activities. However, if an individual or agency chooses to donate they may do so through the donation portal located on ADEQ's website.

Procedures

The ADEQ Donation Portal will be made available through ADEQ's public website and ADEQ's online bill payment service website.

The following documents will automatically be emailed to the donor for each transaction: (1) an ADEQ Donation Acknowledgement and Receipt (Receipt); and (2) a Declaration of the State Comptroller - Deductibility of Contributions to the State, Form Number GAO-801 (Declaration). The donor must ensure that the correct email address is provided for these documents to be received. The Receipt is also available for the donor to print or download during the donation process. The Receipt and Declaration are intended for the donor's files and to support eligible tax deductible donations. This policy is not to be considered as legal or tax advice.

Employee Recognition Program

This program is a way for ADEQ to thank its employees for their valuable contributions and is an incentive for enhanced performance. All employee recognition activities will follow federal and state law, rule and policy. Any funds donated for employee recognition purposes will be used exclusively for that purpose. Funds used for employee recognition activities shall not influence an employee's official conduct as an ADEQ staff member, pursuant to A.A.C. R2-5A-501.

4.0 Authority

A.R.S. § 41-709 authorizes state agencies to accept gifts and donations for employee recognition programs.

A.R.S. § 35-149 authorizes state agencies receiving private monies or contributions to manage the funds in accordance with statutory guidelines.

A.R.S. § 35-142 authorizes the state treasury to place and retain monies received for and belonging to the state in separate funds.

A.A.C. R2-5A-501(B)(4) prohibits state agencies from accepting or soliciting directly or indirectly anything of economic value that may appear to, or be designed to, influence an employee's official conduct.

5.0 Audience

ADEQ Employees

Donors

6.0 Policy Steward

ADEQ Chief Financial Officer

7.0 Communication & Training

This substantive policy will be noticed in accordance with A.R.S. § 41-1091. ADEQ will make this policy available on its external website.

Business and finance staff that manage the donations will be trained annually not to disclose any donor names outside of what is necessary to process the donations.

Managers will be informed about this policy at the All Managers Meeting annually.

8.0 Annual Policy Review

This policy will be reviewed annually during the Agency Annual Policy Review and will be revised or withdrawn as necessary at that time.

9.0 Additional Documents

State of Arizona Accounting Manual (SAAM) 5557 Employee Recognition Activities

SAAM 8020 The State's Tax Exempt Status and the Receipt of Charitable Contribution

SAAM 2010 Cash and Cash Receipts

SAAM 5555 Tax Consequences of Fringe Benefits

SAAM 5556 Reporting of Taxable Fringe Benefits

ADEQ Donation Acknowledgement and Receipt

Declaration of the State Comptroller - Deductibility of Contributions to the State, Form Number GAO-801

10.0 Approval

Title	Name	Signature	Date
ADEQ Director	Karen Peters		3/8/23
CFO	Jared Sprunger		3/9/23
Administrative Counsel	Edwin Slade		3/9/23

11.0 Historical Note

Date	Number, Name, and Issue Date of Previous Version	Replaces Listed Sections/Entire Document	Reason