By Supervisors Weishan, Jr. and Logsdon File No. 21-558

**A RESOLUTION/ORDINANCE**

amending Chapter 13 of the Milwaukee County Code of General Ordinances to require Milwaukee County Board of Supervisors approval for all agreements and partnerships with Milwaukee County support groups

WHEREAS, Chapter 13 of the Milwaukee County Code of General Ordinances outlines the procedures by which Milwaukee County engages with outside groups that provide financial or volunteer support to departments; and

WHEREAS, any group that provides financial assistance to Milwaukee County, including a friends group partnership, must be a nonprofit, obtain 501(c)(3) status, and enter into a written agreement approved by the Milwaukee County Board of Supervisors and Milwaukee County Executive; and

WHEREAS, those agreements must also include:

1. A statement of purpose and outlining its program activities and related utilization of county facilities, personnel, utilities and equipment.
2. A provision that if the friends groups participate in a capital improvement program, they be a party to a separate written contract setting forth the nature, scope and ownership of the improvements, together with the responsibility and accountability for planning, fundraising and construction.
3. Recognition that the county board endorses a policy of open meetings, open records, affirmative action and its code of ethics, and expects county employes to understand and comply with such policies in working with friends groups. Friends groups, their agents and employes shall comply with all applicable federal, state and county laws and regulations governing conflicts of interest. Recognition that county employes are responsible to disclose promptly to the county executive and county board information concerning proposed capital plans, operating support, promotional plans, programs and activities of friends groups.
4. Filing annually, with the office of the comptroller, for public record:
   1. If the organization's annual gross receipts exceed four thousand dollars ($4,000.00), a copy of its state form[308](https://library.municode.com/wi/milwaukee_county/codes/code_of_ordinances?nodeId=MICOCOGEORVOII_APXFGEMIINAINGNAIRE_ARTIIINGNAIRIPRLI_S308NGNAISU) (charitable organization annual report) submitted to the state department of regulation and licensing to comply with s. 440.41, Wis. Stats.
   2. In addition, if the organization's annual gross receipts exceed twenty-five thousand dollars ($25,000.00), a copy of its IRS form 990 (return of organization exempt from income tax).
   3. In addition, if the organization's annual gross receipts exceed fifty thousand dollars ($50,000.00), a certified, independently audited, financial statement reporting an audit performed in accordance with generally accepted accounting principles.
5. Limiting its employes to those engaged in the administration of friends groups and those providing interpretive, educational and visitor services where such activities are specifically set forth in the agreement and are not within the jurisdiction of the county employes. All other persons engaged in county department activities, or who control county funds, assets, employes or programs, shall be county employes whose compensation may be funded by friends group allocations.
6. Encouraging all county employes to be a member of friends groups, but avoiding any conflict of interest; employes shall not serve as officers or directors of the friends groups.
7. Designating a coordinator or liaison person for the department and the friends group. The department head or designee shall be the county coordinator and shall have authority to administer the agreement on behalf of the county. Friends representative shall be available to county for consultation and assistance.

; and

WHEREAS, all cash or gift donations to Milwaukee County by any group or individual must be approved by the Milwaukee County Board of Supervisors; and

WHEREAS, department heads may agree to a memorandum of understanding with groups that provide only volunteer services, but do not provide any financial assistance or fiscal support, which does not require approval of the County Board or County Executive and are not subject to the provisions laid out above related to nonprofit, 501(c)(3) status, public financial disclosures or open meetings laws; and

WHEREAS, all agreements that Milwaukee County holds with support groups should be subject to review and oversight by the Milwaukee County Board of Supervisors regardless of whether they provide financial support; and

WHEREAS, to ensure appropriate stewardship of public assets, all support groups should be required to adhere to the same relationship guidelines and fund management practices; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby requests that all agreements with support groups comply with the provisions of Chapter 13 of the Milwaukee County Code of General Ordinances; and

BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Chapter 13 of the Milwaukee County Code of General Ordinances by adoption of the following:

**AN ORDINANCE**

**Section 1.** Section 13.01 of the Milwaukee County Code of General Ordinances is amended as follows:

**13.01. – Declaration of policy.**

The role of friends and support groups is important to many county departments. Some departments possibly could not survive without full participation of the private sector in furnishing additional funding for capital projects, special programs and operating needs. Friends and support groups add substantially to the limited resources available from the tax base. The general public is greatly benefited through improved facilities and programs. The county has always welcomed and encouraged the establishment of friends groups and agreements with support groups. By establishing these guidelines, the county hopes to enhance mutual understanding of particular needs and concerns with its friends and support groups, and establish a fair and consistent policy with them, thus assuring a successful, cooperative effort and relationship.

**Section 2.** Section 13.02 of the Milwaukee County Code of General Ordinances is amended as follows:

**13.02. – Applicability.**

1. The provisions of this policy are applicable to all county department and agency heads in interacting with private support organizations (friends groups) formed to provide financial support and volunteer services for an activity of the county or any of its departments or agencies.
2. The relationships with those private support organizations that provide only volunteer services, interpretive and educational assistance, and additions to collections, but do not provide financial support or have a fiscal relationship, shall be established in a memorandum of understanding with the county department head and approved by the Milwaukee County Board of Supervisors.

**Section 3.** Section 13.04 of the Milwaukee County Code of General Ordinances is amended as follows:

**13.04. – Organization—Friends groups.**

Friends groups are independent organizations having their own governance and fiscal structure. In order to achieve county-wide consistency and fiscal accountability, all friends and support groups shall be or shall conduct their fiscal affairs through a nonprofit, nonstock Internal Revenue Code 501(c)(3) tax exempt corporation, structured through articles of incorporation and bylaws to support, assist and promote the activities of a county department or agency under the provisions of a written agreement approved by the department head, the county executive and the county board.

**Section 4.** Section 13.06 of the Milwaukee County Code of General Ordinances is amended as follows:

**13.06. – Relationship—Friends groups.**

Because of their close relationship with public institutions, friends and support groups acquire a quasipublic status. The public often perceives them to be a functional part and representative of a county department. Public confidence and support is best maintained by adequate disclosure of all activities. Basic to the quasipublic nature of friends and support groups, the department head shall negotiate a written agreement with each friends and support group for approval by the county executive and the county board, including:

1. A statement of purpose and outlining its program activities and related utilization of county facilities, personnel, utilities and equipment.
2. A provision that if the friends or support groups participate in a capital improvement program, they be a party to a separate written contract setting forth the nature, scope and ownership of the improvements, together with the responsibility and accountability for planning, fundraising and construction.
3. Recognition that the county board endorses a policy of open meetings, open records, affirmative action and its code of ethics, and expects county employes to understand and comply with such policies in working with friends and support groups. Friends and support groups, their agents and employes shall comply with all applicable federal, state and county laws and regulations governing conflicts of interest. Recognition that county employes are responsible to disclose promptly to the county executive and county board information concerning proposed capital plans, operating support, promotional plans, programs and activities of friends and support groups.
4. Filing annually, with the office of the comptroller, for public record:
   1. If the organization's annual gross receipts exceed four thousand dollars ($4,000.00), a copy of its state form 308 (charitable organization annual report) submitted to the state department of regulation and licensing to comply with s. 440.41, Wis. Stats.
   2. In addition, if the organization's annual gross receipts exceed twenty-five thousand dollars ($25,000.00), a copy of its IRS form 990 (return of organization exempt from income tax).
   3. In addition, if the organization's annual gross receipts exceed fifty thousand dollars ($50,000.00), a certified, independently audited, financial statement reporting an audit performed in accordance with generally accepted accounting principles.
5. Limiting its employes to those engaged in the administration of friends and support groups and those providing interpretive, educational and visitor services where such activities are specifically set forth in the agreement and are not within the jurisdiction of the county employes. All other persons engaged in county department activities, or who control county funds, assets, employes or programs, shall be county employes whose compensation may be funded by friends and support group allocations.
6. Encouraging all county employes to be a member of friends and support groups, but avoiding any conflict of interest; employes shall not serve as officers or directors of the friends or support groups.
7. Designating a coordinator or liaison person for the department and the friends or support group. The department head or designee shall be the county coordinator and shall have authority to administer the agreement on behalf of the county. ~~Friends~~ Group representative shall be available to county for consultation and assistance.

**Section 5.** Section 13.07 of the Milwaukee County Code of General Ordinances is amended as follows:

**13.07. – Fund management.**

1. Friends and support groups have authority to solicit, retain and expend funds they determine are appropriate to their programs and goals. Funds donated to the county by friends or support groups shall be managed so as to assure funds raised are used as intended by the donors consistent with ch. 59, Wis. Stats. Funds transmitted to the county treasurer by friends or support groups, with a description of the intended use, shall be identified as deposited for that purpose and shall be expended only after a fund transfer consistent therewith is authorized.
2. The department head and designees have authority to solicit funds they determine are appropriate to their programs and goals. Such funds shall be payable to the county and may not be accepted by friends or support groups. Funds payable to the county shall be immediately deposited with the county treasurer in accordance with county procedures. An "appropriation transfer request" by the department head will be required for the release of such funds. The department head, and designees, may participate in solicitations when requested by a friends or support group.
3. There shall be an accounting with the department of the use by each of the other's real or personal property, personnel, utilities, equipment and similar expenses, and provision for the reimbursement of reasonable value thereof.

**Section 6.** The provisions of this ordinance shall be effective upon passage and publication.