



City of Franklin

Department of Finance

Entered in PCG

March 28, 2003

To whom it may concern:

The City of Franklin as a unit of government may accept charitable contributions provided the gift is made for exclusively public purposes. Gifts made to the City of Franklin are segregated into restricted accounts and only used for the purpose for which the donation was made. In the event that future conditions makes the expenditure of funds for this purpose impossible, the donors will be contacted and given the opportunity to support another charitable activity supported by the City or the donor may elect to have their gift returned to them.

The question is often asked "Is the City of Franklin a 501(c)(3) organization. The narrow answer to that question is no. However per our City Attorney the same section of the Internal Revenue Code, Section 170, that allows 501(c)(3) organizations to accept charitable contributions allows governmental units to accept charitable contributions.

Section 170 of the Internal Revenue Code states:

"(c) Charitable contribution defined.

For purposes of this section, the term "charitable contribution" means a contribution or gift to or for the use of –

(1) A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes."

If you have any question on the above you may contact either the City Attorney or the City Finance Officer.

Cordially

Calvin A. Patterson
Finance Officer