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REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

FAMILY JUSTICE CENTER: FISCAL AGENCY AGREEMENTS

FAMILY JUSTICE CENTER CHRONOLOGY

In 1998, then City Attorney Casey Gwinn, and David Bejarano, the San Diego Police Chief at the time, sought to bring together "under one roof," law enforcement, prosecution, intervention, and prevention services to victims of family violence. That enterprise functioned as part of the City Attorney's Office.

In 2002, the City, through the City Attorney's Office and San Diego Police Department (SDPD), along with other public and private agencies and service providers, described above, co-located at 707 Broadway in downtown San Diego. The co-location of the providers, other agencies, and City staff was ". . . a unique program, the first of its kind in the nation, designed to bring together in one place the professionals and volunteers necessary for the efficient and effective pursuit of these common goals. [preventing domestic violence, prosecuting domestic violence crimes, and treating victims] This program is the establishment of the Family Justice Center." 2002 City Att'y Report 158 (2002-3; April 4, 2002). The Family Justice Center (FJC) became a model for communities across America in how to provide prevention and intervention services to victims of domestic violence and their children. City Mgr. Report No. 04-261, p. 2 (Nov. 24, 2004).

In late 2004, based on the City Manager's recommendation, the FJC became a City Department under the City Manager. *Id.* at p. 1. On November 29, 2004, the City Council formalized a governance structure for the FJC in the San Diego Municipal Code (SDMC), including the creation of a Steering Committee to develop and oversee the operational guidelines for the FJC, to make recommendations for priorities, programs, and the budget, and to recommend a Long Range Strategic Plan for the development of the FJC.
San Diego Municipal Code §§ 22.2201-22.2203.

The Manager also recommended that alternate governance structures be examined to address the needs of the FJC in the long run. City Mgr. Report No. 04-261, p.5 (Nov. 24, 2004). In 2006, the Steering Committee affirmed the "city department" structure, eliminated consideration of a public benefit corporation structure, and decided to annually revisit the need for a joint powers authority. City Mgr. Report No. 06-150, p.4 (Oct. 16, 2006).

The FJC operated as a City Department from 2004-2009. Although the FJC as a City Department was never formally dissolved, in Fiscal Year 2010, the Mayor[1], as part of his restructuring efforts, moved the management and operation of the FJC under the SDPD. The FJC continued to be located at 707 Broadway. The FY 2010 budget reflecting the move was approved by the San Diego City Council (San Diego Resolution R-304958 (June 8, 2009)), and the appropriation ordinance, also reflecting the move, was approved by the City Council (San Diego Ordinance O-19887 (July 27, 2009)).

Since that time, the police lieutenant assigned to SDPD's Domestic Violence Unit has had day-to-day responsibility for overseeing the FJC. In October 2010, the FJC relocated from 707 Broadway to the "Smart Corner" (1122 Broadway), where the City is currently leasing space from the San Diego Housing Commission to house the FJC. *See* San Diego Ordinance O-19939 (Mar. 26, 2010), authorizing a ten year lease with the San Diego Housing Commission.

Currently, various service providers such as Rady Children's Hospital, Dress for Success, and San Diego Psychological Services, Inc., are co-located at 1122 Broadway along with SDPD's Domestic Violence Unit.

BACKGROUND

On January 8, 2010, and again on December 9, 2010, the FJC, acting through the SDPD, signed a Fiscal Agency Agreement with the National Family Justice Center Alliance (Alliance), a non-profit 501(c)(3) corporation.[2] The agreements were neither reviewed nor signed by the City Attorney's Office. In July 2012, the Alliance requested the FJC to enter into a new Agreement, which was forwarded to this Office for review. See attachments 1-3.

The agreements designate the Alliance as the fiscal agent for the FJC, and authorize the Alliance to receive grants, charitable contributions and gifts for the FJC, and distribute them consistent with the charitable purposes of the Alliance. The agreements require the Alliance to maintain books and financial records documenting all donations received on behalf of FJC, and to account for FJC's revenue and expenses relating to such donations separately in the books of the Alliance. The agreements state that funds received by the Alliance on behalf of the FJC will be owned by the Alliance, and disbursed to FJC upon request consistent with the charitable purposes of the Alliance.

The agreements authorize the Alliance to execute grant agreements, pledges, or other commitments with funding sources to support the FJC, if the Alliance acts as the fiscal agent for those funds. The cost of any reports or other compliance measures required by such funding sources are borne by the FJC, and charged against FJC funds held by the Alliance. The Alliance charges a 10 percent fee on all donations received on behalf of the FJC to cover administrative expenses.

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[1] In 2006, the City adopted the "Mayor-Council" form of government for four years; that structure was permanently adopted in 2010. *See* San Diego Charter §§ 250, 260, 265.

[2] Former City Attorney Casey Gwinn is the President and co-founder of the Alliance. His signature appears on the 2010 agreements. The unsigned July 2012 agreement has a signature line for Casey Gwinn, President, or Gael Strack, CEO. *See* www.familyjusticecenter.org/board-of-directors.html.

The agreements purport to uphold the management and legal authority of the SDPD to manage and supervise activities of the FJC and its partner agencies. However, the agreements state that the Alliance has ultimate direction and control over any issues related to the "receipt and expenditure of fiscal agency/fiscal sponsorship" [sic] for the FJC.

All three agreements are nearly identical in substance. However, where they differ is in a provision (identified as paragraph 10 in each of them) in which the Alliance agrees to employ a person at the FJC, to support the work of the FJC. In the agreement of January 8, 2010, the Alliance says it will employ a Volunteer Services Coordinator at the FJC. In the December 9, 2010, agreement, the Alliance says it will employ a Volunteer Services Coordinator and a Program Manager to support the work of the FJC. Finally, in the July 2012 agreement, which was not signed by any City staff, the Alliance agrees to employ a Client Services Coordinator to support the work of the FJC. In all of the agreements, the Alliance says it will employ that person to the extent funds are available, based upon the fiscal agency agreement.

It is our understanding that the practice is such that donations given to the FJC are submitted to the Alliance. Additionally, on the City's website for the FJC, to donate on line, the donor is automatically directed to the Alliance website; a pop-up warns users that they are leaving the City's website. *See* http://www.sandiego.gov/leavingsite.shtml; http://www.sandiego.gov/sandiegofamilyjusticecenter/support/. Further, it is not clear to this Office how the funds are used. City Personnel, and their related expenses, such as office supplies, are carried by the City's general fund (through the SDPD budget). We understand that victims using services at the FJC may need items such as diapers or hotel rooms. To the extent the Alliance wishes to provide those items or services, it can without the fiscal agency agreements.

The City Attorney's Office is unaware of the genesis of the agreements that were signed in 2010. Both agreements purported to be effective for one year; yet both agreements also contained a provision whereby each agreement remained in force for 180 days. Notwithstanding the internal inconsistencies relating to the term of the agreements, the last agreement would have expired no later than December 8, 2011. Thus, when the July 2012 Agreement was presented to the City Attorney for legal review, there was no "agreement" in effect. Nonetheless, it is unclear whether the Alliance and the FJC continue to operate as if an "agreement" is in effect. *See* section VII of this Report.

DISCUSSION

I. WHAT IS A FISCAL AGENT?

A fiscal agent is an organization, such as a bank or trust company that acts on behalf of another party performing various financial duties. A fiscal agent may assist in the redemption of bonds or coupons, handle tax issues, replace lost or damaged securities, and perform various other finance-related tasks. Fiscal agents (or fiscal sponsors) are most often seen in the non-profit sector. Many non-profit organizations lack experience managing the administrative aspects of a business, while others do not have the required 501(c)(3) status needed to legally operate one. In

both cases, a fiscal agent may help by providing limited financial and legal oversight for groups and individuals.[3]

A fiscal agency/fiscal sponsorship agreement is a private contract between two parties where at least one party is a 501(c)(3) tax exempt entity and serves as the fiscal agent. While the typical arrangement involves a 501(c) tax exempt entity and an organization that is not tax exempt (as described below), such arrangements are sometimes entered into between two tax-exempt entities where one is newly formed. The newly formed tax-exempt entity benefits from the fiscal sponsor's longer continued existence in applying for grants.[4]

The following description is instructive:[5]

> Fiscal sponsorship arrangements typically arise when a person or group (we will call this a project) wants to get support from a private foundation or a government agency, or tax-deductible donations from individual or corporate donors. By law or preference, the funding source will only make payments to organizations with section 501(c)(3) tax status. So the project looks for a section 501(c)(3) sponsor to receive the funds and pass them on to the project.
>
> However, the IRS has a strict policy against "conduit" arrangements. When a donation is made by A to B, earmarked for C, it is in reality a donation from A to C, and if C is not exempt under section 501(c)(3), the gift is not a tax-deductible contribution. To be deductible, the IRS requires that B (the sponsor) have *complete discretion and control* over the funds, and holds B legally responsible to see that its payments to C (the project) are made to further B's tax-exempt purposes. Fn3 *S.E. Thomason v. Commissioner,* 2 T.C. 441 (1943); Rev. Rul. 54-580, 1954-2 C.B. 97; Rev. Rul. 63-252, 1963-2 C.B. 101; Rev. Rul. 66-79, 1966-1 C.B. 48; *National Foundation v. United States,* 13 Cl.Ct. 486, 87-2 USTC para. 9602 (1987).

The agreements at issue here do not define "fiscal agent." However, the agreements are consistent with the model described above. For example, the agreements say ". . . SDFJC desires to utilize the services of the NFJCA to assist with managing donations and funds." *See* Agreements, p.1.

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[3] http://www.investopedia.com/terms/f/fiscalagent.asp#ixzz2BTrUj1Vo

[4] "Fiscal Sponsorship: Six Ways to Do it Right – A Synopsis," by Gregory Colvin, available at http://www.adlercolvin.com/pdf/grantmaking/six_ways.pdf

[5] These examples are taken from "Fiscal Sponsorship: Six Ways to Do it Right – A Synopsis," by Gregory Colvin, available at http://www.adlercolvin.com/pdf/grantmaking/six_ways.pdf

II. THE AGREEMENTS REQUIRE COUNCIL APPROVAL

Council approval is required for contracts with non-profit organizations of more than $500,000.[6] Contracts exceeding five years must also be approved by City Council, by two-thirds vote.[7] A service contract with a non-profit organization may be entered into without City Council approval if certain conditions are satisfied, including a contract limit not exceeding $500,000 per year, and the Purchasing Agent certifying in writing that the contract both furthers a specific public policy and is in the public interest.[8]

In 2010, the FJC entered into two separate agreements with the Alliance. It is not known whether either agreement involved more than $500,000 per year. However, neither agreement includes the certifying language of the Purchasing Agent, required by SDMC section 22.3210. And even though the Alliance is a non-profit 501(c)(3) corporation, it does not appear that the remaining criteria of SDMC section 22.3210 were met. Therefore, without evidence that the requirements of SDMC section 22.3210 were complied with, it appears the agreements likely should have been approved by Council.

III. THE AGREEMENTS REQUIRE COMPETITIVE BIDDING

City contracting policies require a competitive process for procurement of services unless an exception applies. SDMC § 22.3203. One exception allows the City to enter into a contract for services with a non-profit organization for $500,000 or less, under certain circumstances described in section 22.3210. SDMC § 22.3208(h).

If the SDPD, through the FJC, determined that it required the services of a fiscal agent, those services should have been sought through a competitive process. Alternatively, the

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[6] SDMC § 22.3210(c).

[7] Charter section 99. The City Attorney has interpreted this provision to apply only to contracts involving an expenditure of funds. *See* 1998 City Att'y MOL 298 (98-14; June 4, 1998), "Charter Section 99 – Agreements for a Term in Excess of Five Years" (finding that the legislative history of Charter section 99 indicates an intent to apply to fiscal obligations only). For a more recent discussion of Charter section 99, *see* City Att'y MOL No. 12-8 (July 16, 2012), "Charter Section 99 and the Proposed Chilled Water Service Agreement" (concluding that statutory construction and legislative intent support application of Charter section 99 to fiscal obligations only).

[8] SDMC section 22.3210 governs contracts for services with agencies and non-profit organizations and states: The Purchasing Agent may award *contracts for services* to any *agency* or to any nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue Code without City Council approval, provided that:
(a) The Purchasing Agent has certified in writing that the contract furthers a specific public policy; and
(b) The Purchasing Agent has certified in writing that the contract is in the public interest; and
(c) The contract does not exceed $500,000 per year; and
(d) The Purchasing Agent has considered all of the following:
(1) Whether the *agency* or non–profit organization agrees to direct supervision of the workers; and
(2) Whether the *agency* or non–profit organization agrees to provide workers' compensation insurance for the workers; and
(3) Whether the *agency* or non–profit organization agrees to indemnify, protect, defend, and hold the City harmless against any and all claims alleged to be caused or caused by any act or omission of the worker or *agency* employee.

competitive process could have been bypassed if the provisions of SDMC section 22.3210 were complied with. Here, the Alliance provided fiscal agency services to the FJC without going through a competitive process, and without complying with the provisions of Section 22.3210, as discussed in section II, above.

IV. THE AGREEMENTS REQUIRE THE CITY ATTORNEYAND MAYOR DESIGNEE SIGNATURES

All properly executed City contracts require the City Attorney's signature.[9] And the Mayor has a duty to execute all contracts under his control, although he may designate that authority to assistants.[10] In a series of memos, from June 9, 2006 to August 5, 2010, the Mayor delegated authority to execute contracts to a limited number of City officials holding specific positions. Here, the agreements were executed by a police lieutenant, instead of the Mayor or his designee, and neither agreement was reviewed or signed by the City Attorney.[11]

V. THE AGREEMENTS LIKELY VIOLATE OTHER PROVISIONS OF THE CHARTER AND MUNICIPAL CODE

Aside from contracting irregularities and failure to obtain signatures for proper contract execution, the agreements violated the City Charter.[12] Specifically, the agreements were contrary to Charter sections concerning the Mayor's budgetary responsibilities,[13] and duties of the City Treasurer[14] and the Chief Financial Officer.[15] And the agreements likely violated provisions in the City Charter and the SDMC relating to the handling and accounting of public moneys.[16]

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[9] Charter section 40 gives to the City Attorney a duty to "prepare in writing all ordinances, resolutions, contracts, bonds, or other instruments in which the City is concerned, and to endorse on each approval of the form or correctness thereof ...."

[10] Charter section 28 states, "Except as otherwise provided in this Charter, all other administrative powers conferred by the laws of the State upon any municipal official shall be exercised by the Manager or persons designated by him. ... The Manager shall execute all contracts for the Departments under his control." Under the strong Mayor form of government, Charter section 260 provides that all executive powers of the City Manager are transferred to the Mayor.

[11] For a more thorough discussion of legal requirements for properly executed contracts, see City Att'y MOL No. 08-1 (Feb. 11, 2008), "Requirements for Legally Executed Contracts;" and City Att'y MOL No. 09-20 (Dec. 18, 2009), "Overview of City Charter and Municipal Code Requirements for City Contracts." Also, by memo dated September 21, 2010, the City Attorney cited to the December 18 legal memo and reiterated the requirements for a valid city contract, including the requirement that all contracts be approved in writing by the City Attorney's office.

[12] The City charter creates and forms the basis of our municipal government, and provides the manner in which powers are exercised. 2A McQuillin Mun. Corp. § 9:3 (3rd ed. 2010). *See* City Att'y MOL No. 10-12 (June 10, 2010), "Proposed Transfer of the Functions of the Revenue Audit Division of the Treasurer's Office to the City Auditor's Office," and City Attorney Report 12-15 (June 25, 2012), "Addition of Responsible Banking Ordinance to San Diego Municipal Code," discussing the express duties and responsibilities of public officers provided for in the Charter which may not be transferred, limited, or impeded, unless expressly permitted.

[13] Charter section 81, Allotments, says, "The Manager [now Mayor] shall be responsible for establishing internal budgetary allotments based on the allocations contained in the annual appropriation ordinance for each department of the City."

[14] Charter section 45 requires the City Treasurer to "keep such books and records as are necessary for the recording of all receipts and expenditures, together with a record of money in City depositories." Also, "[e]very Department officer, or institution which receives money directly from the public, shall deposit the same daily with the Treasurer, unless otherwise authorized by ordinance." Finally, "[t]he Treasurer shall determine pursuant to the general law of

VI. THE LEGAL EFFECTS OF INVALID AGREEMENTS

Failure to comply with competitive bidding requirements in the City Charter and the SDMC may render a contract invalid and not subject to ratification.[17] "Certain general principles have become well established with respect to municipal contracts .... It is [] settled that the mode of contracting, as prescribed by the municipal charter, is the measure of the power to contract; and a contract made in disregard of the prescribed mode is unenforceable." *North Bay Const., Inc. v. City of Petaluma*, 143 Cal. App. 4th 552, 563-564 (2006) (quoting *Miller v. McKinnon*, 20 Cal. 2d 83, 88 (1942)). Contracts wholly beyond the powers of the City cannot be ratified. *Id.* For example, the City cannot ratify contracts that must be put out to bid. See *Calaveras County v. Calaveras County Water Dist.*, 184 Cal. App. 2d 276, 280 (1960); *Bear River Sand & Gravel Corp. v. Placer County*, 118 Cal. App. 2d 684, 689 (1953); *Los Angeles Dredging Co. v. City of Long Beach*, 210 Cal. 348, 353 (1930). However, the City may ratify a contract that it could lawfully enter, so long as "the subsequent ratification [is] made with the same formalities required for the original exercise of the power." *Mott v. Horstmann*, 36 Cal. 2d 388, 391 (1950).

Similarly, a City contract that has not been properly executed may also result in an invalid contract or one that is unenforceable against the City.[18] When a charter provides for a certain method of approving a contract, failure to follow that method will render the contract void, or at least, unenforceable against the charter city. *G.L. Mezetta, Inc. v. City of American Canyon,* 78 Cal. App. 4th 1087, 1092-94 (2000); *First Street Plaza Partners v. City of Los Angeles*, 65 Cal. App. 4th 650, 662-65 (1998); *Katsura v. City of San Buenaventura*, 155 Cal. App. 4th 104, 109-10 (2007).

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the state, the selection of depositories for City funds. All interest collected on City funds shall be accounted for monthly by the Treasurer."

[15] Charter section 39 designates the Chief Financial Officer as the chief fiscal officer of the City with supervision over all accounts. Section 39 requires "accounts shall be kept showing the financial transactions of all Departments of the City upon forms prescribed by the Chief Financial Officer and approved by the City Manager and the Council." The Chief Financial Officer "shall also be responsible for oversight of the City's financial management, treasury, risk management and debt management functions" and "shall submit to the City Manager and to the Council at least monthly a summary statement of revenues and expenses for the preceding accounting period, detailed as to appropriations and funds in such manner as to show the exact financial condition of the City and of each Department." Charter section 87 requires that all departments use the uniform forms of accounts prescribed by the Chief Financial Officer for funds received or disbursed by the City. Charter section 89 addresses monthly statements by the Auditor and Comptroller and mandates the Chief Financial Officer to prepare for the Council a "statement of revenues and expenses for the preceding accounting period, detailed as to appropriations and funds in such manner as to show the exact financial condition of the City and of each Department and Division thereof as of the last day of the previous accounting period."

[16] Charter section 84 requires funds to be drawn from the Treasury in accordance with the Annual Appropriation Ordinance, and at the close of each fiscal year any unencumbered balance of an appropriation are reverted to the fund from which appropriated and subject to reappropriation. Charter section 85 says "[a]ll moneys which may be collected or received by any officer of the City in his official capacity . . . and all moneys accruing to the City from any source . . . shall be paid into the treasury daily." Finally, SDMC section 22.0706, states: "Every department, office, or institution of The City of San Diego, which receives money directly from the public, or otherwise, on behalf of the City shall deposit the same daily with the Treasurer, except as provided in this section."

[17] *See* City Att'y MOL No. 09-20, pp. 11-12 (Dec. 18, 2009), "Overview of City Charter and Municipal Code Requirements for City Contracts."

[18] *See* City Att'y MOL No. 09-20, p. 5 (Dec. 18, 2009), "Overview of City Charter and Municipal Code Requirements for City Contracts."

Finally, a City employee acting beyond the scope of his or her authority may be subject to personal liability. The City is not required to indemnify City employees for liability from acts beyond the scope of their authority.[19]

VII. OTHER LEGAL ISSUES

For the reasons discussed above, neither the January 2010 nor the December 2010 fiscal agency agreements were legal. Even if one assumes, however, that the agreements were valid contracts, they were already expired when the July 2012 agreement was presented to this Office for legal review.[20] Using the longer one-year term of the December 2010 agreement, it would have expired on December 8, 2011. Thus, there would be no reason for either the FJC or the Alliance to believe they had a valid agreement beyond that date, and no reason for the Alliance to continue serving as the fiscal agent of the FJC.

Yet, on January 10, 2012, the FJC received a donation from the Coronado Junior Woman's Club, in the amount of $10,000. *See* Exhibit A. The check, made payable to the FJC, was presented to the Family Justice Center at the FJC Steering Committee meeting of January 12, 2012, as reflected in the meeting minutes. *See* Exhibit B. The check was then stamped payable to the National Family Justice Center Alliance, and deposited into the Alliance bank account, as evidenced by a copy of the cancelled check. *See* Exhibit C.

It is unknown whether the donor in this case, the Coronado Junior Woman's Club, was aware that the check would ultimately go to the Alliance. It is also unknown whether the Alliance charged a 10 percent fee to accept the donation. And it is unknown how the donated funds were eventually spent. Without having all the details surrounding this particular donation – and others – made to the FJC, we cannot do a full legal analysis.[21]

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[19] *See* City Att'y MOL No. 09-20, p. 7 (Dec. 18, 2009), "Overview of City Charter and Municipal Code Requirements for City Contracts." The California Government Code section 995.2 says that public agencies may refuse to defend an employee acting beyond the scope of employment or with fraud, corruption or malice.

[20] The agreement made on January 8, 2010, claims to have been effective for one year from the execution date; however, another provision in the agreement says it remained in force for 180 days from the execution date. The agreement was executed on January 11, 2010, so depending on which term one uses, it expired either on July 10, 2010, or on January 10, 2011. Likewise, the agreement made on December 9, 2010, also had a term of one year or alternatively a term of 180 days. So that agreement expired either on June 7, 2011, or on December 8, 2011.

[21] We do note that there are various laws relating to donations and fundraising.
First, the California Business and Professions Code requires that 100 percent of a donation must be used for the purpose for which the donation was sought. A fiduciary relationship exists "between a charity . . . and the person from whom a charitable contribution is being solicited. The acceptance of charitable contributions . . . establishes a charitable trust and a duty . . . to use those charitable contributions for the declared charitable purposes for which they are sought." Cal. Bus. & Prof. Code § 17510.8.
The Business and Professions Code also prohibits false advertising and misrepresentation regarding the beneficiary of a solicited donation. "[T]he false advertising laws of Business and Professions Code sections 17500 et seq., prohibiting untrue or misleading statements, undoubtedly apply to representations made by fundraisers with the intent of obtaining charitable solicitations." *People v. Orange County Charitable Services,* 73. Cal. App. 4th 1054, 1075-76 (1999). Advertising is defined broadly to include any dissemination to the public "in any other manner or means whatever" any statement "concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading . . . ." Cal. Bus. & Prof. Code § 17500. Additionally, "Charitable organizations . . . shall not misrepresent . . . the nature or purpose or beneficiary of a solicitation. A misrepresentation may be accomplished by words or conduct or failure to disclose a material fact." Cal. Gov't Code § 12599.6(a).

There are other legal issues this Office will be reviewing, which involve potential City liability to donors, and potential actions the City could take against the Alliance if funds were improperly withheld. For example, if a donation was made to the FJC with the expectation that the entire donation would benefit the FJC, could the City be liable to the donor for the 10 percent fee charged by the Alliance? Alternatively, could the City be liable to the donor for the entire amount of the donation, if none of it went to the FJC and, instead, funded other Alliance activities?

And with respect to the Alliance, if a donation was made to the FJC with the expectation that it be given to FJC, could the Alliance be liable to the City for the 10 percent fee? Alternatively, could the Alliance be liable to the City for the entire amount of the donation, if none of it went to the FJC and funded other Alliance activities, instead?

There may be liability to the City; however, this Office has very limited information at this time. The full extent of these issues requires further investigation and research.

CONCLUSION

The agreements entered into by the FJC, through the SDPD, were illegal. We do not have all the facts related to the receipt and expenditure of moneys, or any representations made to donors about where the money was going, to fully assess the City's liability under these agreements. Therefore, we have referred the investigation and research to the City Auditor. We will continue to review the legal issues as more facts are ascertained, and will keep the Mayor and City Council apprised.

Notwithstanding the illegalities of the fiscal agency agreements, there is no apparent legal reason that the FJC would need the Alliance to act as its fiscal agent. The City and each of its departments, divisions, programs, commissions and facilities are legally qualified charitable beneficiaries under rules of the Internal Revenue Code.[22] A charitable contribution is defined as a contribution or gift to or for the use of "[a] State ... or any political subdivision of any of the foregoing ... but only if the contribution or gift is made for exclusively public purposes."[23] Thus, donors wishing to make a charitable contribution to the City for the FJC could do so directly, without the need of a third-party fiscal agent. Moreover, the City has policies and procedures for accepting donations, including restricted donations, evidencing that the City is willing and able to accept charitable contributions.[24] Should the Alliance wish to fundraise and then provide those proceeds to the City for use by the FJC, the City can accept those funds without the Fiscal Agency Agreements.

Although the SDMC describes the FJC as a City Department, currently it is operated as a program under the SDPD. There is no specific council action that sets the parameters for the program, and it appears that the lack of a clear governance structure may have contributed to the problems discussed in this Report. As a City program,[25] the City provides space for various

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[22] http://www.sandiego.gov/philanthropycenter/faq/index.shtml
[23] 26 U.S.C. § 170(c)(1).
[24] Council Policy 100-02, City Receipt of Donations, dated August 1, 1994.
[25] We note that the Alliance website posts an operations manual for the FJC. "San Diego Family Justice Center Operations Manual, Where Families Come First and Professionals Come Together, Updated March 2011." www.familyjusticecenter.org/downloads/newcategory/21-operations-manuals.html.

service providers to co-locate with city staff in one place, and provide services to domestic violence victims and their children. Although these co-located service providers collaborate and work towards the common goal of providing a one-stop-shop for domestic violence victims, each entity retains its own legal status.

Even if the FJC were a City department, only the city staff assigned to the FJC would belong to the department; the on-site service providers would retain their independent status and would not be employees or agents of the City.

We recommend that the City look at the FJC as a program and use this as an opportunity to decide how the program should be run, and make the appropriate changes. The SDMC currently states that the FJC's Steering Committee makes recommendations for a Long Range Strategic Plan for the development of the Center, and that is an option that could be explored. *See* SDMC § 22.2203.

There is clearly a need for a more transparent governance structure,[26] and one that clarifies to city staff, service providers, and the public the respective roles of the parties at the FJC including appropriate oversight and fiscal controls. This Office is committed to assisting the City in seeing that the important work of providing prevention and intervention services to domestic violence victims and their children continues.

The current structure could also continue to be used, but the roles of the parties need further clarification, and the fiscal issues need to be resolved.

JAN I. GOLDSMITH, CITY ATTORNEY

By /s/ *Linda Peter*
Linda L. Peter
Deputy City Attorney

LLP:amt
Attachments
cc: Andrea Tevlin, Independent Budget Analyst
Eduardo Luna, City Auditor
William Lansdowne, Chief of Police
Casey Gwinn, President, National Family Justice Center Alliance
CA Report RC-2012-24
Doc. No. 469134

[26] *See* Attachment D – Options for FJC Governance

COPY

FISCAL AGENCY AGREEMENT
San Diego Family Justice Center/National Family Justice Center Alliance

This is an agreement made on January 8, 2010, by and between the National Family Justice Center Alliance and the San Diego Family Justice Center to authorize the National Family Justice Center Alliance to serve as a fiscal agent for the San Diego Family Justice Center, a member of the Alliance and an affiliation of organizations and individuals focused on providing wraparound, co-located services to victims of domestic violence, sexual assault, and child abuse. Such agreement shall be in effect for one year from the execution date and will be reviewed at that time.

The National Family Justice Center Alliance (NFJCA) is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"). It was formed for purposes, which include providing support, training, and technical assistance to operating and developing Family Justice Centers and other types of co-located service delivery models across the United States and around the world.

The San Diego Family Justice Center (SDFJC) is operated by the San Diego Police Department as a program of the City of San Diego and was formed for the purposes of providing co-located, multi-disciplinary services to victims of domestic violence and their children in San Diego, California. SDFJC does not currently raise funds privately nor host special events. SDFJC has previously used a separate organization as its fiscal agent but desires to utilize the services of the NFJCA to assist with managing donations and funds received from applications for grants from private non-profit foundations, for profit corporations, and private individuals. As grant funds are obtained to support the operations of the SDFJC, the SDFJC will partner with the NFJCA to employ additional non-city staff.

The National Family Justice Center Alliance is willing to receive tax-deductible charitable contributions and employ staff for the benefit of the SDFJC. The SDFJC, with the administrative assistance of the NFJCA, desires to use these funds in order to support the operation of the SDFJC, a co-located service center operated by the City of San Diego and managed by the San Diego Police Department for the benefit of victims of domestic violence and their children.

ATTACHMENT 1

By entering into this Agreement, the parties agree to the following terms and conditions:

1. Receipt of funds: NFJCA agrees to receive grants, contributions and gifts to be used for the SDFJC, and to distribute them consistent with the charitable purposes of the NFJCA.

2. Acknowledgment of charitable donations on behalf of the SDFJC: The NFJCA agrees that all grants, charitable contributions and gifts which it receives for the SDFJC will be reported as contributions to the NFJCA as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. NFJCA agrees to notify the SDFJC of any change in its tax-exempt status.

3. Protection of tax-exempt status: The SDFJC agrees not to use funds received from the NFJCA in any way which would jeopardize the tax-exempt status of the NFJCA. The SDFJC agrees to comply with any written request by the NFJCA that it cease activities which might jeopardize the NFJCA's tax status, and further agrees that the NFJCA's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the NFJCA before implementation. The NFJCA retains the right, if the SDFJC breaches this Agreement, or if SDFJC jeopardizes the NFJCA's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.

4. Use of funds: The NFJCA agrees to use any funds donated to support the SDFJC consistent with such uses as long as they are consistent with the charitable purposes of the NFJCA. All funds donated for the SDFJC shall be the property of NFJCA until such time as SDFJC obtains tax exempt status to allow transfer of such funds or for expenditures authorized by NFJCA to benefit the work of the SDFJC.

5. Financial procedures: The SDFJC must act within the financial policies required by the NFJCA. Such procedures shall include the following: All donation checks should be made out to the "San Diego Family Justice Center", the "San Diego Family Justice Center Foundation", or to the "National Family Justice Center Alliance" with a notation that they are for the benefit of the San Diego Family Justice Center; any request for funds by the SDFJC from NFJCA must be in writing; any request for reimbursement of expenses must include receipts documenting the charitable purpose expense and the SDFJC-related purpose of the expenditure; SDFJC must provide a written accounting documenting all expenditures made with such funds upon request from NFJCA. The SDFJC must also comply with any other financial policies imposed by NFJCA during the course of this agreement.

6. Financial accounting and reporting: The NFJCA will maintain books and financial

records documenting all donations received on behalf of the SDFJC in accordance with generally accepted accounting principles. The SDFJC's revenue and expenses related to such donations shall be separately classed in the books of the NFJCA. The NFJCA will provide annual reports reflecting revenue received on behalf of and disbursement to the SDFJC.

7. Governance: Authority to manage the programmatic activities of the SDFJC will remain at all times with the City of San Diego and the San Diego Police Department under the supervision of the Director of the Family Justice Center, Lt. Lori Luhnow. Nothing in this agreement shall, in any way, change the management authority and legal authority of the San Diego Police Department to manage and supervise all activities of the SDFJC and its partner agencies, subject only to the ultimate direction and control of the NFJCA Board of Directors to the extent any issues relate to the receipt and expenditure of fiscal agency/fiscal sponsorship for the SDFJC by the NFJCA.

8. Fundraising: The SDFJC may solicit gifts, contributions, and grants through the NFJCA which are earmarked for the charitable activities of the SDFJC. The SDFJC's choice of funding sources to be approached and the text of the SDFJC's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the NFJCA if so requested by NFJCA. All grant agreements, pledges, or other commitments with funding sources to support the SDFJC shall be executed by the NFJCA if the NFJCA will be serving as the fiscal agent for such funds or by the Director of the SDFJC with the knowledge of the CEO of the NFJCA. The cost of any reports or other compliance measures required by such funding sources shall be borne by the SDFJC and charged against SDFJC funds held by the NFJCA. Such additional reporting obligations on grants shall not be included in the services provided by the 10% fiscal agency fee. The NFJCA's Director of Finance must be copied at least one week in advance on all progress and final report submissions. The NFJCA shall be responsible for the processing and acknowledgment of all monies received for the SDFJC, which shall be reported as the income of the NFJCA for both tax purposes and for purposes of the NFJCA's financial statements. The NFJCA will assist the SDFJC in utilizing the name "San Diego Family Justice Center Foundation" in order raise funds to support the SDFJC.

9. Charges to the SDFJC for services: NFJCA will charge 10% on all donations received on behalf of the SDFJC to cover the administrative expenses of handling contributions, issuing checks, and maintaining all financial records. The NFJCA and SDFJC will work cooperatively to address reporting obligations under any grants and the NFJCA will provide such additional services to the SDFJC as necessary subject to agreement on the additional cost of such services.

10. The NFJCA shall also agree to employ the Volunteer Services Coordinator that provides services and oversees volunteers at the SDFJC pursuant to this Agreement. The Volunteer Services Coordinator shall comply with all personnel policies of the NFJCA, attend staff meetings of the NFJCA, and comply with all rules and regulations for employees of the NFJCA. The Volunteer Services Coordinator will report daily to Lt. Lori Luhnow or her designated representative regarding day to day work-related responsibilities. Lt. Luhnow and the NFJCA CEO will work cooperatively to address work-load, working conditions, and

job responsibilities. The Volunteer Services Coordinator will be an at-will employee of the NFJCA. The NFJCA will only continue to employ the Volunteer Services Coordinator to the extent funds are available for this purpose based on this Fiscal Agency Agreement. The NFJCA shall reserve the right to terminate this paragraph of this Agreement and end such at-will employment relationship for any reason, subject to authorization by the Board of the NFJCA.

11. Renewal of this agreement: If both the NFJCA and the SDFJC desire to do so, this agreement may be renewed annually based on the agreement of both parties.

12. Termination: Either party may terminate this entire Agreement, or any section of this Agreement, by giving 60 days' written
notice to the other party.

This Agreement will remain in force for 180 days from the execution date below or it is terminated with 60 days written notice by either the NFJCA or the SDFJC.

By signing below, both parties agree this Agreement will be effective as of the date that the last party signs this Agreement.

National Family Justice Center Alliance

By:
Casey Gwinn, President

Executed on: January 8, 2010

San Diego Family Justice Center

By:
Lt. Lori Luhnow, Director

Executed on: JAN. 11, 2010

FISCAL AGENCY AGREEMENT
San Diego Family Justice Center/National Family Justice Center Alliance

This is an agreement originally made on January 8, 2010 and amended December 09, 2010, by and between the National Family Justice Center Alliance and the San Diego Family Justice Center to authorize the National Family Justice Center Alliance to serve as a fiscal agent for the San Diego Family Justice Center, a member of the Alliance and an affiliation of organizations and individuals focused on providing wraparound, co-located services to victims of domestic violence, sexual assault, and child abuse. Such agreement shall be in effect for one year from the execution date and will be reviewed at that time.

The National Family Justice Center Alliance (NFJCA) is a nonprofit corporation; exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"). It was formed for purposes, which include providing support, training, and technical assistance to operating and developing Family Justice Centers and other types of co-located service delivery models across the United States and around the world.

The San Diego Family Justice Center (SDFJC) is operated by the San Diego Police Department as a program of the City of San Diego and was formed for the purposes of providing co-located, multi-disciplinary services to victims of domestic violence and their children in San Diego, California. SDFJC does not currently raise funds privately nor host special events. SDFJC has previously used a separate organization as its fiscal agent but desires to utilize the services of the NFJCA to assist with managing donations and funds received from applications for grants from private non-profit foundations, for profit corporations, and private individuals. As grant funds are obtained to support the operations of the SDFJC, the SDFJC will partner with the NFJCA to employ additional non-city staff.

The National Family Justice Center Alliance is willing to receive tax-deductible charitable contributions and employ staff for the benefit of the SDFJC. The SDFJC, with the administrative assistance of the NFJCA, desires to use these funds in order to support the operation of the SDFJC, a co-located service center operated by the City of San Diego and managed by the San Diego Police Department for the benefit of victims of domestic violence and their children.

By entering into this Agreement, the parties agree to the following terms and conditions:

ATTACHMENT 2

1. Receipt of funds: NFJCA agrees to receive grants, contributions and gifts to be used for the SDFJC, and to distribute them consistent with the charitable purposes of the NFJCA.

2. Acknowledgment of charitable donations on behalf of the SDFJC: The NFJCA agrees that all grants, charitable contributions and gifts which it receives for the SDFJC will be reported as contributions to the NFJCA as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. NFJCA agrees to notify the SDFJC of any change in its tax-exempt status.

3. Protection of tax-exempt status: The SDFJC agrees not to use funds received from the NFJCA in any way which would jeopardize the tax-exempt status of the NFJCA. The SDFJC agrees to comply with any written request by the NFJCA that it cease activities which might jeopardize the NFJCA's tax status, and further agrees that the NFJCA's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the NFJCA before implementation. The NFJCA retains the right, if the SDFJC breaches this Agreement, or if SDFJC jeopardizes the NFJCA's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.

4. Use of funds: The NFJCA agrees to use any funds donated to support the SDFJC consistent with such uses as long as they are consistent with the charitable purposes of the NFJCA. All funds donated for the SDFJC shall be the property of NFJCA until such time as SDFJC obtains tax exempt status to allow transfer of such funds or for expenditures authorized by NFJCA to benefit the work of the SDFJC.

5. Financial procedures: The SDFJC must act within the financial policies required by the NFJCA. Such procedures shall include the following: All donation checks should be made out to the "San Diego Family Justice Center", the "San Diego Family Justice Center Foundation", or to the "National Family Justice Center Alliance" with a notation that they are for the benefit of the San Diego Family Justice Center; any request for funds by the SDFJC from NFJCA must be in writing; any request for reimbursement of expenses must include receipts documenting the charitable purpose expense and the SDFJC-related purpose of the expenditure; SDFJC must provide a written accounting documenting all expenditures made with such funds upon request from NFJCA. The SDFJC must also comply with any other financial policies imposed by NFJCA during the course of this agreement.

6. Financial accounting and reporting: The NFJCA will maintain books and financial records documenting all donations received on behalf of the SDFJC in accordance with generally accepted accounting principles. The SDFJC's revenue and expenses related to such donations shall be separately classed in the books of the NFJCA. The NFJCA will provide annual reports reflecting revenue received on behalf of and disbursement to the SDFJC.

7. Governance: Authority to manage the programmatic activities of the SDFJC will remain at all times with the City of San Diego and the San Diego Police Department under the

supervision of the Director of the Family Justice Center, Lt. Lori Luhnow. Nothing in this agreement shall, in any way, change the management authority and legal authority of the San Diego Police Department to manage and supervise all activities of the SDFJC and its partner agencies, subject only to the ultimate direction and control of the NFJCA Board of Directors to the extent any issues relate to the receipt and expenditure of fiscal agency/fiscal sponsorship for the SDFJC by the NFJCA.

8. Fundraising: The SDFJC may solicit gifts, contributions, and grants through the NFJCA which are earmarked for the charitable activities of the SDFJC. The SDFJC's choice of funding sources to be approached and the text of the SDFJC's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the NFJCA if so requested by NFJCA. All grant agreements, pledges, or other commitments with funding sources to support the SDFJC shall be executed by the NFJCA if the NFJCA will be serving as the fiscal agent for such funds or by the Director of the SDFJC with the knowledge of the CEO of the NFJCA. The cost of any reports or other compliance measures required by such funding sources shall be borne by the SDFJC and charged against SDFJC funds held by the NFJCA. Such additional reporting obligations on grants shall not be included in the services provided by the 10% fiscal agency fee. The NFJCA's Director of Finance must be copied at least one week in advance on all progress and final report submissions. The NFJCA shall be responsible for the processing and acknowledgment of all monies received for the SDFJC, which shall be reported as the income of the NFJCA for both tax purposes and for purposes of the NFJCA's financial statements. The NFJCA will assist the SDFJC in utilizing the name "San Diego Family Justice Center Foundation" in order raise funds to support the SDFJC.

9. Charges to the SDFJC for services: NFJCA will charge 10% on all donations received on behalf of the SDFJC to cover the administrative expenses of handling contributions, issuing checks, and maintaining all financial records. The NFJCA and SDFJC will work cooperatively to address reporting obligations under any grants and the NFJCA will provide such additional services to the SDFJC as necessary subject to agreement on the additional cost of such services.

10. The NFJCA also agrees to employ a Volunteer Services Coordinator and Program Manager to support the work of the SDFJC. The Volunteer Services Coordinator provides services and oversees volunteers at the SDFJC pursuant to this Agreement. The Program Manager will oversee the economic empowerment program of the SDFJC, solicit donations and grants to benefit the SDFJC and its partner agencies, and perform other duties as assigned by the Director of the SDFJC and agreed to by the NFJCA. The Volunteer Services Coordinator and the Program Manager shall comply with all personnel policies of the NFJCA attend the weekly staff meetings of the NFJCA, attend all staff trainings of the NFJCA, and comply with all rules and regulations for employees of the NFJCA. The Volunteer Services Coordinator will report daily to the Director of the SDFJC or his/her designated representative regarding day to day work-related responsibilities but will also be responsible for meeting regularly with the Chief Executive Officer of the NFJCA, serving in a secondary supervision role. The Program Manager will report daily to the Director of the SDFJC or his/her designated representative regarding day to day work-related responsibilities but will also be responsible for meeting regularly with the Director of

Finance of the NFJCA, serving in a secondary supervision role. The Director of the SDFJC and the NFJCA CEO will work cooperatively to address work-load, working conditions, responsibilities, and job performance for both the Volunteer Services Coordinator and the Development Director. The Volunteer Services Coordinator and the Program Manager will be at-will employees of the NFJCA. The NFJCA will only continue to employ the Volunteer Services Coordinator and the Program Manager to the extent funds are available for these purposes based on this Fiscal Agency Agreement. The NFJCA shall reserve the right to terminate this paragraph of this Agreement and end such at-will employment for one or both positions for any reason, subject to authorization by the Board of Trustees of the NFJCA.

11. Renewal of this agreement: If both the NFJCA and the SDFJC desire to do so, this agreement may be renewed annually based on the agreement of both parties.

12. Termination: Either party may terminate this entire Agreement, or any section of this Agreement, by giving 60 days' written notice to the other party.

This Agreement will remain in force for 180 days from the execution date below or it is terminated with 60 days written notice by either the NFJCA or the SDFJC.

By signing below, both parties agree this Agreement will be effective as of the date that the last party signs this Agreement.

National Family Justice Center Alliance

By: _____

Casey Gwinn, President

Executed on: December 9, 2010

San Diego Family Justice Center

By: _____

Lt. Lori Luhnow, Director

Executed on: 12-9-10

FISCAL AGENCY AGREEMENT
San Diego Family Justice Center/National Family Justice Center Alliance

This is an agreement originally made on January 8, 2010, amended December 09, 2010 and July __, 2012, by and between the National Family Justice Center Alliance and the San Diego Family Justice Center to authorize the National Family Justice Center Alliance to serve as a fiscal agent for the San Diego Family Justice Center, a member of the Alliance and an affiliation of organizations and individuals focused on providing wraparound, co-located services to victims of domestic violence, sexual assault, and child abuse. Such agreement shall be in effect for one year from the execution date and will be reviewed at that time.

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7. Governance: Authority to manage the programmatic activities of the SDFJC will remain at all times with the City of San Diego and the San Diego Police Department under the

supervision of the Director of the Family Justice Center. Nothing in this agreement shall, in any way, change the management authority and legal authority of the San Diego Police Department to manage and supervise activities of the SDFJC and its partner agencies, subject only to the ultimate direction and control of the Chief Executive Officer and the NFJCA Board of Directors to the extent management and supervision of NFJCA employees and any issues related to the receipt and expenditure of fiscal agency/fiscal sponsorship for the SDFJC by the NFJCA.

8. Fundraising: The SDFJC may solicit gifts, contributions, and grants through the NFJCA which are earmarked for the charitable activities of the SDFJC. The SDFJC's choice of funding sources to be approached and the text of the SDFJC's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the NFJCA if so requested by NFJCA. All grant agreements, pledges, or other commitments with funding sources to support the SDFJC shall be executed by the NFJCA if the NFJCA will be serving as the fiscal agent for such funds or by the Director of the SDFJC with the knowledge of the CEO of the NFJCA. The cost of any reports or other compliance measures required by such funding sources shall be borne by the SDFJC and charged against SDFJC funds held by the NFJCA. Such additional reporting obligations on grants shall not be included in the services provided by the 10% fiscal agency fee. The NFJCA's Director of Finance must be copied at least one week in advance on all progress and final report submissions. The NFJCA shall be responsible for the processing and acknowledgment of all monies received for the SDFJC, which shall be reported as the income of the NFJCA for both tax purposes and for purposes of the NFJCA's financial statements. The NFJCA will assist the SDFJC in utilizing the name "San Diego Family Justice Center Foundation" in order raise funds to support the SDFJC.

9. Charges to the SDFJC for services: NFJCA will charge 10% on all donations received on behalf of the SDFJC to cover the administrative expenses of handling contributions, issuing checks, and maintaining all financial records. The NFJCA and SDFJC will work cooperatively to address reporting obligations under any grants and the NFJCA will provide such additional services to the SDFJC as necessary subject to agreement on the additional cost of such services.

10. The NFJCA also agrees to employ a Client Services Coordinator to support the work of the SDFJC. The NFJCA will be responsible for the overall selection, hiring and supervision of the Client Services Coordinator. The Director of the SDFJC and the NFJCA CEO will work cooperatively to address work-load, working conditions, responsibilities, supervision, job performance and evaluations for the Client Services Coordinator who will be an at-will employee of the NFJCA. The Alliance will be viewed as a community partner of the SDFJC in providing a Client Services Coordinator for the SDFJC.

The Client Services Coordinator, as more fully described in the attached job description, will:

- Oversee client intake and coordinate on-site services at the SDFJC.
- Adhere to the Guiding Principles and Best Practices of the NFJCA

- Perform other duties as assigned by the SDFJC Director and agreed to by the CEO of the NFJCA
- Comply with all personnel policies, rules and regulations for employees of the NFJCA
- Attend the weekly staff meetings of the NFJCA,
- Work cooperatively with the Director of the SDFJC or his/her designated representative regarding day to day work-related responsibilities
- Report daily to and meet weekly with Chief Executive Officer of the NFJCA to discuss policies, protocols, guiding principles, best practices and any other pending projects.

The NFJCA will only continue to employ the Client Services Coordinator to the extent funds are available for these purposes based on this Fiscal Agency Agreement. The NFJCA shall reserve the right to terminate this paragraph of this Agreement and end such at-will employment for one or both positions for any reason, subject to authorization by the Board of Trustees of the NFJCA.

11. Renewal of this agreement: If both the NFJCA and the SDFJC desire to do so, this agreement may be renewed annually based on the agreement of both parties.

12. Termination: Either party may terminate this entire Agreement, or any section of this Agreement, by giving 60 days' written notice to the other party.

This Agreement will remain in force for 365 days from the execution date below or it is terminated with 60 days written notice by either the NFJCA or the SDFJC.

By signing below, both parties agree this Agreement will be effective as of the date that the last party signs this Agreement.

National Family Justice Center Alliance

By: _____
Gael Strack, CEO or Casey Gwinn, President

Executed on:

San Diego Family Justice Center

By: _____
Lt. Bernie Colon, Director

Executed on: _____

CORONADO JUNIOR WOMAN'S CLUB
P.O. BOX 181398
CORONADO, CA 92178

16-49 2
1220

102

DATE 1/10/12

PAY TO THE ORDER OF San Diego Justice Center $10,000.00

Ten thousand 00 DOLLARS

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(800) 238-4486 unionbank.com

FOR

Carol West

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Exhibit A

"Where Families Come First and Professionals Come Together"

MINUTES

City of San Diego
Family Justice Center Department (FJC)
Steering Committee Meeting

January 12, 2012

Meeting location:
Family Justice Center
1122 Broadway, Suite 200
San Diego, CA 92101

Mailing address:
Family Justice Center
1122 Broadway, Suite 200
San Diego, CA 92101

ATTENDANCE:

Members Present	Staff Present	Members Absent
Marti Emerald (chair)		
William Lansdowne		
Bernie Colon		
Bonnie Dumanis		
	Marlea Dell'Anno	Jan Goldsmith
Javier Mainar		

CALL TO ORDER

Chairperson Marti Emerald called the meeting to order at 9:05 A.M.

NON-AGENDA PUBLIC COMMENT

Pat McGrath, Division Chief of The Family Protection Division, is taking a leave of absence for military duties. On his behalf Teresa Santana, Assistant Division Chief, will be the Acting Division Chief of Family Protection.

AGENDA PUBLIC COMMENT

COMMITTE COMMENT

Exhibit B

ADOPTION AGENDA

APPROVAL OF THE MINUTES OF THE JANUARY 12th MEETING.

MOTION: MOVED/SECONDED William Lansdowne/Marti Emerald

A motion was made by William Lansdowne, Chief of Police, and seconded by Marti Emerald, Councilmember Council District 7, to approve the Family Justice Center Minutes of January 12, 2012. Vote was unanimous.

ITEM – 1: Family Justice Center Information Update – Report by the Family Justice Center

Camp HOPE
Lieutenant Bernie Colon, FJC Director, announced the Family Justice Center received funding designated for camp and will continue to seek additional funding. The approximate camp cost is $130/child. Camp is scheduled for two weekends and a full week in the summer. The first session is scheduled February 17-19. The program will help children affected by domestic violence the opportunity to break the cycle of violence and gain positive experiences through mentoring programs. Donation envelopes are available for anyone interested in supporting the great cause. Camp HOPE is still in need of sleeping bags.

Casey Gwinn, President and Co-Founder of the National Family Justice Center Alliance, stressed the immediate needs of Camp HOPE are sleeping bags. Interested donors may drop them off at the Family Justice Center. Thanks to the support letter signed by the steering committee members, Camp HOPE received almost $10,000 from supporters.

Women of Worth Program (WOW)
Lieutenant Colon reported the WOW (Women of Wisdom) Program based on Worth, Opportunity and Work is led by Lee Friedman, Program Manager, and Katie Huerta Case Manager/Advocate. This long-term approach program to empower victims is a huge success. The initial goal of 200 clients for the year is far exceeding the target for the CDBD funding criteria. Program is about six months old and 151 clients have already used the program. Staff seeks new and creative ways to continue and expand the program to assist with the long-term goal of job success and independence.

Donations/Funding
Lieutenant Colon recognized the following for their donations. Donors will be honored with a designated name plate in the "Giving Tree" for their generosity.

- Coronado Junior Women's Club hosted the Taste of Coronado event and donated $10,000 to the Family Justice Center. Deanne Brown, Karen Smith and Cindy McNary personally presented the check to the Family Justice Center.
- Ramin Pourteymour hosted a party during the holidays and collected gifts for Family Justice Center client's children. Mr. Pourteymour has committed to repeat the event next year.

- **Anonymous Donor** donated $4,000 for the daily activities and $1,000 worth of food for the holiday drive.

The donations allowed the Family Justice Center to hold an enriching holiday food drive event on December 22nd. Staff gave bags of food and gift cards to 40 families, and gifts to over 100 children.

Jim Brown National Spokesperson for "Men Can" Program
Jim Brown, NFL Today Announcer, is working with Verizon Foundation on a national campaign program called "Men Can". They plan on a video tour of the Family Justice Center and interview team members, and current and past clients. The idea is to show that men acknowledge and support the Prevention of Domestic Violence.

Update: The above event was cancelled.

ITEM – 2: **WOW Community Outreach in the Military Bases Update – Report by Military Liaison**

Lee Friedman, WOW Program Manager, presented on behalf of Nikki Wolff and Kristin Rhoades, Military Liaison/Victim Advocates. Community outreach include information sharing of the services offered by the Family Justice Center. WOW brochures are provided to include Ms. Huerta's business cards as the point of contact. Staff reached out to educate victim advocates from Coronado and Naval Base San Diego Veterans Administration. Future plans to meet with advocates from MCRD and Miramar Veterans Administration, social workers from Balboa Hospital, and case managers at Naval Base San Diego. Ms. Wolff is working with Ms. Huerta to schedule a time to discuss her military clients.

ITEM – 3: **Strangulation Senate Bill 430 (Kehoe) Update – Report by the National Family Justice Center**

Gael Strack, Chief Executive Officer and Co-Founder of the National Family Justice Center Alliance, thanked the steering committee for their commitment.

Ms. Strack acknowledged Senator Christine Kehoe's leadership in sponsoring Strangulation Senate Bill 430. Senate Bill received unanimous support in the Assembly and Senate which led to the signing of the felony strangulation bill named in honor of Diana Gonzalez. It will add critical language to Penal Code 273.5 to clarify that strangulation is a serious criminal conduct. It will allow criminal justice professionals to protect victims and hold abusers accountable before there is serious injury or death. SB 430 provides clarification that 273.5 can apply to a strangulation case even if there is no external injury.

The Family Justice Center Alliance launched the Strangulation Training Institute in October 2011 with a grant from the US Department of Justice, Office on Violence Against Women (OVW). Together the OVW, the California District Attorney Association, the California Police Chiefs Association, POST, Cal EMA, and others have partnered with the FJC Alliance to provide training to implement the important new strangulation legislation (SB430) in

2012. All California Family Justice Centers have committed to hosting strangulation training for their community. The California Advisory Team includes the San Diego Family Justice Center, San Diego Police Department, San Diego District Attorney's Office, Riverside Family Justice Center, Riverside District Attorney's Office, Anaheim Family Justice Center, Anaheim Police Department, Alameda Family Justice Center, Alameda Police Department, Alameda District Attorney's Office, Stanislaus Family Justice Center, Stanislaus District Attorney's Association, Fresno Police Department, California District Attorneys Association, and the California Police Chiefs Association.

Refer to attached PowerPoint "Strangulation Training Institute".

ITEM – 4: **Working with Advocates in Chihuahua, Mexico Update – Report by the National Family Justice Center Alliance**

Mr. Gwinn reported The Mexican Initiative was launched under the leadership from President Felipe Calderon who allocated $20 million pesos to support the President's Initiative. In Mexico, 90% of all women murdered are killed by intimate partners. The goal is to open twelve Centers in 2012, which began with a kick-off conference in Monterrey, Mexico. A Grand Opening of Chihuahua Center "Centros de Justicia para las Mujeres" took place in June 2011.

State Attorney General Carlos Salas understands the Family Justice Center American model however, he wanted a different approach. In the Mexican model, the judge meets personally with the victims at the Center and the attorney general performs all the follow-up investigations. The local police are not involved.

Refer to attached PowerPoint "Mexico Initiative FJC Steering Committee".

At the conclusion of the steering committee meeting members gathered for a photo session with the Family Justice Center donors.

ADJOURNMENT – The meeting was adjourned at 9:55A.M.

NEXT REGULAR MEETING – July 12, 2012 at 9:00 A.M.
Family Justice Center, Suite 200
1122 Broadway
San Diego, CA 92101

Marti Emerald
Chair

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Exhibit C

OPTIONS FOR FJC GOVERNANCE[1]

1. Public Agency Driven – leadership by existing DA/CA/Mayor

In this model, one existing government agency acts as the FJC host, providing broad leadership for planning and implementation. Leadership most often comes from the Mayor, the Police Chief, or District Attorney. All employees of the FJC work for the government agency. The on-site providers are independent contractors who enter into agreements with the host government agency. The on-site providers maintain management and control over their respective employees. Financial support and/or fundraising may be achieved through a separate foundation or 501(c)(3) organization. This is the current model of the San Diego FJC. Other FJCs using this model are located in Alameda (District Attorney's Office is lead); Riverside (District Attorney is lead); Bexar County, Texas (District Attorney is lead); Anaheim (Police Department is lead); Albuquerque (Police Department is lead); Knoxville (Police Department is lead); and New York City (Mayor's office is lead).

2. Local Government Department Model – create a new municipal department

This model is identical to option (1) above, except that the FJC host is a separate, newly created department within a city or county, with an appointed leader/department head. Core governance and fiscal responsibilities are managed by municipal employees assigned to the department. On-site providers enter into agreements with the municipal department, but maintain management and control over their respective employees. A foundation or 501(c)(3) corporation may provide financial support and/or fundraising. The City Department model is used in Nampa, Idaho, and at the Crystal Judson FJC in Tacoma, Washington.

3. Independent City or County Agency/Corporation Model

In this model, a municipality (city or county, or both) create a legal entity with quasi-government powers and authority to oversee the FJC. This model has not yet been used to establish an FJC. However, an analogous organization is the San Diego Association of Governments (SANDAG), a public agency comprised of county and 18 city governments.

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[1] A more complete discussion of governance options, with pros and cons, is included in a white paper prepared by Charles Wilson, Casey Gwinn, and Gael Strack, dated April 2, 2005, and is available at: http://www.familyjusticecenter.org/jdownloads/finish/60-governance/386-governance-white-paper-pfjci-governance-structure-options-wilson-gwinn-a-strack-04-05.html. In addition, a power point presentation prepared by the Family Justice Center Alliance, "FJC Governance," dated January 2011, is available at http://www.familyjusticecenter.org/jdownloads/finish/60-governance/385-governance-webinar-powerpoint-fjc-governance-options-nfjca-01-11.html.

Exhibit D

SANDAG is governed by a Board of Directors comprised of mayors, council members, and county supervisors from each of the region's 19 local governments.[2]

4. Independent Non-Profit Agency Model

This model uses an existing private entity or establishes a new 501(c)(3) non-profit organization to manage the FJC. In this model, an independent Board of Directors provides overall leadership and fiduciary responsibility. The independent non-profit agency model is used in Ouachita Parish (Monroe, Louisiana); New Orleans (managed by Catholic Charities); Salt Lake Area FJC (managed by YWCA); Sitka, Alaska (tribal governance), and Hillsborough County (which created a new non-profit organization in Tampa, Florida).

[2] http://www.sandag.org/index.asp?fuseaction=about.home