City of Marco Island

To: City Council
From: Joan Taylor, City Clerk
Through: Casey Lucius, City Manager
Date: August 11, 2026
Re: **Marco Island Community Parks Foundation, Inc. – Status Update**

Background

The Marco Island Community Parks Foundation, Inc. ("Foundation") was established on January 7, 2020, as a 501(c)(3) public charity to provide a mechanism for receiving charitable contributions for the benefit of parks and recreational activities within the City of Marco Island.

Since its establishment, the Foundation has experienced operational and financial challenges. These include a four-year hiatus during which the Foundation did not meet; continued difficulty obtaining a quorum with its Directors; inconsistent and low Foundation contributions; and recurring administrative expenses (accounting and charitable filing costs) having at times exceeded contributions received.

In its most recent IRS filing for FY 2025, the Foundation reported approximately $5,000 in contributions. Following the FY 2025 filing, the Foundation's accountant notified the City that, based on information received from the IRS regarding the Foundation's low and inconsistent level of contributions over a five-year period, the Foundation will cease to qualify as a public charity effective September 30, 2026.

The Foundation will lose its public charitable status and be dissolved under Chapter 617 Florida Statutes.

Funds management

The Foundation's remaining funds will be transferred to a separately accounted-for City fund designated for parks-related purposes. The funds will be maintained in a separate account for appropriate parks-related uses, continue to earn interest, and be disbursed for authorized purposes consistent with any applicable restrictions.

The transfer will preserve the Foundation's remaining assets for their intended parks-related purpose while reducing the ongoing administrative costs associated with maintaining a separate charitable organization. Future contributions intended to support City parks and recreational initiatives may be accepted directly by the City and maintained in that separate account. Donors may identify a specific parks project or purpose for which a contribution is intended, subject to the City's acceptance of the restriction and applicable law. Contributions made to a governmental entity may qualify for a federal charitable deduction. It is the individual donor's responsibility to consult with a qualified tax advisor to determine the deductibility of any contribution based on the donor's individual circumstances. The City will provide appropriate documentation acknowledging contributions received.

Next Steps

- Staff will start the dissolution process according to Chapter 617 Florida Statues.
- Staff will create separate account item to manage current and future funds.