

City of Carmel-by-the-Sea

**CITY COUNCIL
DISCRETIONARY FUNDS GRANT PROGRAM**

POLICY 2017-01

Office of the City Administrator
Carmel-by-the-Sea, CA 93921



GENERAL

INTRODUCTION

The City of Carmel-by-the-Sea recognizes and appreciates the value of local organizations that provide community, environmental and social services that benefit the City's community and enhance the well-being of its citizens. Community service is defined as voluntary work performed that supports the wellbeing of the citizens of Carmel-by-the-Sea and serves a public purpose. As such, each year, the City Council may set aside discretionary funds to support a City Council Discretionary Funds Grant Program that supports such purposes. Organizations that serve the community of Carmel-by-the-Sea are eligible to apply. The functions or services to be provided should be of such a nature that the interests of the City are better served by an agreement with a private nonprofit organization than by the performance of the services or functions by the City. Every organization that applies will be considered, but not all groups may receive funding.

PROGRAM PURPOSE AND DESCRIPTION

The City Council Discretionary Funds Grant Program serves as a funding resource to nonprofit organizations or schools that provide programs or services that benefit the Carmel-by-the-Sea community. With clearly defined goals, criteria, and evaluation measures, the program will result in a granting process that:

- Provides equal opportunity for all interested community service providers to be considered for funding
- Aligns funding requests with the City's budget process
- Identifies the community benefit associated with funded programs or services
- Establishes a reporting process that demonstrates transparency and accountability for public funds

The City Council Discretionary Funds Grant Program is discretionary, meaning that it is up to the Council as to whether or not to accept applications for this program each year. Due to limited funds, Council has the option to not accept applications or limit the amount of funding to be allocated under such a program in any given fiscal year. If the City decides to administer the program in any given year, requests for funding received from organizations will be considered only during a specified time period. It is not the City's intention to fund each request received, but rather to evaluate each proposal and provide funding to those organizations that most effectively serve the needs and improve the well-being of the community of Carmel-by-the-Sea.

The City encourages a goal of self-sufficiency for all local organizations and discourages an over-reliance on its financial assistance to maintain such programs on an ongoing basis. Therefore, all organizations requesting funds from the City should continue efforts to develop stable private funding sources.

ELIGIBILITY STANDARDS

ELIGIBILITY

To be eligible for funding, an organization:

- Must be located within the City of Carmel-by-the-Sea or provide community, environmental or social services to the community of Carmel-by-the-Sea
- Must be a nonprofit community based 501(c) organization or a Carmel school
- Must directly provide the community service(s) for which City funds are sought
- Must have no outstanding debt due to the City
- Must not be financially dependent upon receiving City support to meet the organization's annual budget and operational requirements

INELIGIBILITY

The City will not provide support to:

- Individuals
- For-profit enterprises
- Special events (special event organizers are encouraged to review the City's special event grant funding application guidelines and apply for grants under that process)

PUBLIC PURPOSE

By law, all public funds, however awarded, must be used for a public purpose. In general, a public purpose is defined as an activity or service that is open and accessible to all members of the public regardless of race, creed, gender, sexual orientation, religious affiliation, etc., without restriction, and which does not promote a particular religion. It is therefore imperative for the organizations requesting funding through this program to clearly demonstrate the benefit that funded programs or services will have on the community of Carmel-by-the-Sea.

City grant funds may **not** be used for any of the following activities:

- To support political activities (including, but not limited to, lobbying, campaigns, or endorsements) and/or private interests
- Scholarships to high-school or college students
- The payment of outstanding debts
- The purchase of alcoholic beverages
- Travel, meals, lodging, or entertainment expenses
- Services which are primarily commercial, religious or political in nature
- Permanent improvements to any non – City owned structure or property so that it becomes an integral part of the real property and its removal would do harm to the building or land, including those improvements that are bolted, nailed, screwed or wired into the wall, ceiling or floor

- General operating expenses or expenses to support on-going operation of the applicant, including, but not limited to, salaries, utilities, and rent expenses

DEMONSTRATING PUBLIC BENEFIT

Circumstances under which it is appropriate for the City to grant public funds include the following:

- When an organization provides a service that complements or enhances a service that the City also provides
- When there is an identifiable secondary, or indirect, benefit to the City
- When the organization provides a service the City could provide, but chooses not to

The following chart contains examples that illustrate public benefit:

| Relationship to City Programs | Example | Benefit |
|--|--|---|
| Complementary service | Donation to the Tree Foundation in return for agreement to replace trees that have been removed by the City due to disease | The Tree Foundation has specialized knowledge about planting trees suitable for the area. New trees will enhance property values. The service will also increase the number of planted trees beyond that which the City would be able to plant. |
| Demonstrable benefit | Youth organization’s after-school program | After-school programs can boost academic performance, reduce risky behaviors, promote physical health, and provide a safe, structured environment for the children of working parents. |
| Service the City could provide, but does not | Homeless shelter and placement programs | Programs such as this help end the cycle of homelessness. |

APPLICATION PROCEDURE

All eligible entities seeking funding shall complete an application. Eligible entities include any Carmel school, or any nonprofit agency/organization either located within the City of Carmel-by-the-Sea or providing services to City of Carmel-by-the-Sea residents. The application must include a full explanation of the proposed use of the money and include a detailed budget and be submitted to the City by the specified deadline. City staff will then review the application for completeness and compliance with the evaluation criteria. Deadlines for funding requests correspond to the City’s budgeting cycle. The application process for an upcoming fiscal year will open early in February and close in March so as to give the City Council sufficient time to include the funding in the fiscal year budget, if it so chooses to administer the program that year.

Grants are limited to schools, or organizations that are designated a 501(c) nonprofit organization by the Internal Revenue Service (IRS). Formal nonprofit status must be up

to date and submitted as requested on the application. 501(c) organizations must be in good standing with the IRS. Nonprofit organizations may apply for funding only if the Project/Program serves a public purpose and follows the laws governing use of public funds.

PROCESS

All interested nonprofit organizations must complete an application form, which will include the following information:

- Name and address of the nonprofit organization (applicant is required to list the local branch if it represents a national or statewide organization)
- Description of the community project/program/service provided and the benefit to the community that will be provided, including the number of Carmel-by-the-Sea community members served by both the organization and the specific project/program/service for which grant funds are sought
- Amount of funds requested
- Proposed project and budget plan for the use of the grant funds
- A current, detailed operating budget that includes information on the organization's annual sources of revenue received
- Proof of 501(c) status with a copy of the letter from the IRS as applicable
- The **past two year's** financial statements, including the current year, with balance sheets, sources of revenues, profit/loss statements and indicating the percentage of revenue that is used for administration, salaries and program costs
- Applicant(s) receiving City grant funds in the past must indicate when the funds were received, the amount received, and document how the funds were utilized
- The application must be completed by an officer or employee of the organization that is applying for funding and authorized by the organization to complete the application

Incomplete applications and applications not submitted by the deadline will not be considered.

EVALUATION OF APPLICATIONS

Following the application deadline, the City will review proposals from applicants. Applicants will be asked to send one representative to attend a public meeting to address the City Discretionary Funds Grant subcommittee, answer questions, and demonstrate the public benefit of the funds requested. All proposals will be evaluated to ascertain which nonprofit organizations will best serve the community of Carmel. Factors considered include, but are not limited to:

- The organization's documentation of its current nonprofit status
- The extent to which the organization provides a benefit to the Carmel-by-the-Sea community, including demonstrating the number of residents or businesses served
- The organization's history of providing satisfactory services to the community of Carmel-by-the-Sea as applicable
- The organization's submittal of financial statements prepared using an appropriate method of accounting that demonstrates sound financial management practices
- The organization's approach to monitoring and evaluate the success of the project/program/service provided

EXECUTION OF AGREEMENT

Nonprofit organizations selected to receive funds will be required to sign and execute an agreement with the City of Carmel-by-the-Sea. If an award of funds is made, a recipient nonprofit organization will be required to expend grant monies prior to the close of the fiscal year (June 30) in which it received the funding.

COMPLIANCE

Each awarded entity shall submit a report and proper backup documentation to substantiate that funds were expended appropriately. The report shall be submitted within 30 days of the end of the project or no later than June 30 of the fiscal year in which funds were awarded. Such documentation shall include the following:

- Invoices/receipts documenting the expenditure of funds
- A brief summary that explains all expenditures, including how they specifically benefitted Carmel-by-the-Sea residents, that may also include pictures or other documentation illustrating the use of the grant funds
- The organization's progress towards meeting the goals and objectives outlined in the application, and a schedule of the Project/Program's revenues/expenditures

If funds are not expended in accordance with the City's approved purpose, the organization may be required to refund the granted funds. The City reserves the right to require additional back-up information to substantiate how funds received from the City were expended. Failure to spend the funds in a timely manner, to provide proper documentation and/or to utilize the funds for the intended purpose may jeopardize future funding.