



Financial Policies Granting Funds for Community Benefit and Enhancement Grant Program

PURPOSE

The purpose of this policy is to establish a framework for providing funding to non-profit organizations, and/or governmental agencies, through city-funded grant program(s). This policy establishes the standards for application, review, and approval in providing funding in a responsible, transparent, and accountable manner consistent with Federal and State laws and regulations as well as City strategic goals and priorities. Providing supplemental grant funding to eligible organizations can help increase the efficiency and impact of programs, projects, and services provided to the community.

ADOPTION AND IMPLEMENTATION

The City Council is responsible for adopting the City's Financial Policies and approving significant policy revisions. The City Manager, or his/her designee, is responsible for developing administrative procedures to implement this policy. In this role, the City Manager is authorized to make minor administrative changes in the guidelines without significant policy impacts.

DEFINITIONS

A *Grant* is a financial award, provided to fund specific expenditures, used for beneficial goals, and objectives serving a public purpose through a contractual grant agreement. This policy will outline the procedures in providing grant funding to eligible non-profit agencies.

A *Nonprofit Organization* is a legal entity organized and operated for a collective, public, or social benefit for purposes other than generating profit. Nonprofit organizations must be designated as nonprofit when created and may only pursue purposes permitted by statutes for nonprofit organizations.

A *Governmental Agency* means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the federal government or of a state or a county, municipality, or other political subdivision of a state.

A *Donation* is a *gift*, contribution for charity, or to benefit a cause with no expectations or contractual obligation of services in return. The California Constitution prohibits public agencies, from making a "gift of public funds". Therefore, this policy **prohibits** "*donations of public funds*".

Subrecipient is an entity that receives a subaward from a pass-through entity (City) to carry out part or all of a grant program and its requirements. This policy does not pertain to subrecipient or subaward grant agreements.

PROCEDURES

The City must have available appropriated funding, to provide funds to organizations through a grant program.

Depending on budget availability and priorities and in the sole discretion of City Council, grant funding may be budgeted during annual fiscal year, or mid-year budget process, where appropriate.

Following budget appropriation by City Council, the application period will be announced on the City of South Lake Tahoe website, City Council meetings, City social media accounts, and other media outlets.

The City Manager and/or designee will accept, and review grant applications received in response to the application period announcement and will present the eligible awards to City Council for approval.

Grant funding will not be provided without an approved grant application, appropriated budget, and executed grant award.

Applications will be available on the City of South Lake Tahoe website, or available by hard copy at City Administration offices, 1901 Lisa Maloff Way, South Lake Tahoe, CA.

Deadline & Timeline

Application period will be determined by the City Council contingent upon Council priorities and available budget appropriation timelines.

1. Applications will be reviewed within 20 business days from date the application period closes.
2. During this period of time the City may contact the applicant if additional information is required to process the application or if the applicant does not meet the eligible criteria.
3. Potential grant award notifications will be sent upon conclusion of application review period; advising the applicant of the City Council meeting date for potential grant contract award.
4. Projects should be complete within timeframe outlined in grant award.

Eligibility

To be eligible for city grant funding, agencies must at a minimum meet the following criteria:

1. Be located in or serve the City of South Lake Tahoe.
2. Meet the definition of a nonprofit and can provide the organization's IRS 501(c) tax designation letter.
3. Meet the definition of a governmental agency, providing services to the City of South Lake Tahoe.
4. Have the ability to provide the organization's 990 or 990-PF federal tax return, and/or audited financial statements.
5. Possess a valid City of South Lake Tahoe Business License.
6. Provide a proposal which will benefit those living in the City of South Lake Tahoe.
7. Meet all criteria outlined in the grant application.
8. Entities may submit only one application annually.

Program and Project Criteria

1. Address an impact imposed upon the community,
2. Solve a problem or deficiency within the community,
3. Provide a solution or increased benefit to the community,
4. Align with City Strategic goals and objectives,
5. Consistent with City Council priorities and funding initiatives,
6. Focus resources on disadvantaged areas of the community,
7. Comply with local land use, City Code, and other permit/license requirements,
8. Provide identified funding sources showing the ability to leverage other funds if applicable.

Eligible Expense

Eligible costs are only those costs incurred to perform the scope of work detailed in the grant application as approved, which are necessary and reasonable for the performance of the grant award. The following are eligible uses of grant funds:

1. Direct employee expenses incurred for the implementation of the program/project including payroll costs and fringe benefits with detailed documentation provided.
2. Direct operating costs associated with implementation of the program/project as detailed in the approved application.
3. Direct contractual services associated with implementation of the program/project as detailed in the approved application
4. No more than a 10% de minimis in-direct cost rate; unless the organization can provide a separate approved federal cognizant agency in-direct cost rate.

Grant Payments

Grant payments are based on an applicant's ability to meet performance goals. Failure to meet goals may result in a reduction of grant payment.

Grant payments will be based on actual expenditures incurred by the grantee that are necessary and reasonable to the accomplishment of the work as outlined in the grant application.

Grantees will be required to provide documentation of project-related costs, including submission of copies of invoices, cancelled checks, payroll documentation and any other documentation necessary to substantiate costs prior to receiving final payment.

1. The City shall make initial disbursement of grant funds up to 90% of the grant award, upon receipt of executed Grant Agreement.
2. Final ten percent 10% will be withheld until the City receives all cost documentation to substantiate the initial 90% payment, completion of the scope of work in its entirety and final report approved by the City.
3. Costs incurred by the Grantee in excess of the authorized grant funds shall be at the Grantee's sole cost and expense.

GRANT COMPLIANCE

Grant compliance means following the standards set forth in this policy, the application requirements, the awarded grant agreement, City Code and State and Federal laws and regulations as required.

Non-compliance can result in loss of final payment, terminating the grant agreement, repayment of funds, suspension or debarment from receiving future grants, and/or implementation of grant special conditions.

Deliverables

Grantees will be required to submit a summary of expenses as well as all expense documentation to substantiate the expenses detailed in the grant application, to include:

1. Personnel- payroll documentation, timesheets, ledgers, detailed work orders, fringe benefit documentation and calculations.
2. Consultants/ Contracts – detailed contracts, agreements, paid invoices and proof of payment for all paid consultants/contractors including subconsultant/subcontract documentation.
3. Procurement of goods – detailed itemized receipts, proof of payment, purchase orders.
4. Any other documentation the city feels necessary to substantiate grant related expenses.

Grantees will be required to submit a Final Report and Progress Reports, where necessary, depending on period of performance and/or scope of work to include:

1. Project Activities- brief narrative outlining types of activities being funded by the grant, how those activities fit into program objectives.

2. Financial Summary- overview of all funds expended on the project/program/service.
3. Results and Impact- brief explanation how the grant funding made a difference. Highlight key outcomes, data, and community benefit.
4. Future Plans and Sustainability- brief description if this was one-time event/activity or if the grant funding was a contribution towards a sustainable program/project. Include future projections or plans for longevity.
5. Any other report or documentation necessary to highlight the benefit received to the community through this grant award.

Falsification of Documentation

California Penal Code 115 PC - Submitting fraudulent receipts, falsifying an application, or submitting a falsified report in any public office within the state is a criminal felony offense, punishable by up to three years in jail or prison.

California Penal Code Section 424- Misappropriation of public funds criminalizes the act of using public funds for an unrelated public benefit or personal use. Misappropriation of public funds is a felony crime punishable up to 4 years in state prison and a fine up to \$10,000 as well as repayment of funds misused. Additional criminal charges can also be added to the sentence.