



CITY COUNCIL ACTION FORM

Department Finance	Presented by Aimee Tihonovich - Finance Director	Date August 2, 2022
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ITEM

Approval of new policy for addressing “out of budget cycle” Community Grant requests.

BACKGROUND

From time to time, an emergent need in the community arises that the City is asked to help fund. Ideally, funding decisions should be made during the Q3/Q4 budget development cycle so requests can be anticipated within the “bigger picture” of all funding needs, in alignment with the annual Community Grants grant cycle.

However, occasionally it makes sense to consider requests “out of cycle”. This policy, proposed and written by City Treasurer Merrell Bergin, defines a fair and credible process that complements the established annual budget process while maintaining community credibility with the annual Community Grants program.

The policy applies to all, out-of-budget cycle requests to fund nonprofit groups, beyond the annual Community Grant process. It has been reviewed by the Finance Committee, which has recommended that it be brought before Council for adoption. The policy will also be shared with grant administrators at the Chaffee County Community Foundation (CCCF) and is meant to improve responsiveness and service to the community for timely handling of emergent needs.

FISCAL NOTE

There is no direct fiscal impact.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt this policy.

SUGGESTED MOTION

A City Councilperson should state, “I move to combine and approve the Consent Agenda”, followed by a second and roll call vote.

POLICY

Out of Cycle Community Grant Requests

City of Salida, Colorado

Finance Director

719-530-2623



ADOPTED DATE:

[Date]

Out of Cycle Community Grant Requests

Introduction:

Staff and Council are occasionally made aware of emergent, out-of-budget cycle requests from the General Fund for special, one-time, projects requested by nonprofit, direct service providers. The policy is an attempt to provide structure to what has been an informal process, allowing for flexibility and speed, while aligning with existing annual budget and community grant processes that have served the city for multiple years.

Scope:

The annual budget process includes consideration for funding community grant requests with a lump sum amount, to be administered annually by the Chaffee County Community Foundation (CCCF). These grants are made on a competitive basis for merit and need, utilizing a scoring rubric and input from CCCF grant committee members, including at least one Council member. The recommended awards are then reviewed and approved by the full Council.

"Line item" set asides to nonprofits in the annual budget for the General Fund (apart from the competitive CCCF Community Grant process) are discouraged in order to maximize transparency, inclusiveness and fairness to all. Budget requests from a special purpose, designated/restricted fund (Conservation Trust Fund) for groups such as Salida Mountain Trails and SPOT are outside the scope of this General Fund policy and follow the normal annual budget process.

If the CCCF grant committee does not award all of the budgeted funds, Council may, at their discretion entertain requests from the community as brought to their attention by the City Administrator and approved by resolution, following the process below.

The policy applies to all, out-of-budget cycle requests to fund nonprofit groups, beyond the annual Community Grant process or any residual Community Grant funds described above

Policy:

It is the policy of the City of Salida that requests for community grants will follow the periodic Community Grant application process, currently administered by the Chaffee County Community Foundation. That process was designed to align with the adopted annual City of Salida Budget for total funding amounts and timing of applications and awards.

To be fair to all nonprofit groups or residents and to avoid any appearance of favoritism or influence, out-of-cycle grant requests bypassing the Community Grants process are to be avoided if at all possible. This policy provides a timely way forward for unforeseen, emergent and worthy needs, while assuring consistency and transparency, with Council reviewing and approving each, just as they do the annual Community Grant cycle awards.

Process and Procedures:

1. If an unforeseen, out of cycle grant need is made known to staff or Council, it will first be reviewed by the City Administrator or Assistant City Administrator and Finance Director for amount and justification. Proof of active Secretary of State entity filing/business license and nonprofit status must exist.
2. A high-level budget breakdown must accompany the grant request, showing amounts and potential payee(s).
3. Finance Director checks for any funds left from annual Community Grant award cycle or other appropriate budget source.
4. If funds available, advises City Administrator; staff prepares CAF for Council to consider and approve.
5. If insufficient funds, request is brought to Treasurer for Finance Committee discussion and recommendation.
6. Finance committee may recommend: a) that a Council Action Form (CAF) be drafted for Council consideration or b) that the request be sent back to the originator for further justification or c) that it be directed/deferred to the next Community Grant cycle.
7. Finance Committee recommendation is documented in meeting notes. In all cases, City Administrator or designee advise the requester of next steps/timing.
8. All Council-approved, unbudgeted community grant awards are added by the Finance Director to the "Budget Amendment Table" spreadsheet or other tracking device, showing year to date, unbudgeted awards and their source of funding (line item trade-off, contingency fund use, etc.)
9. Finance Committee reviews the spreadsheet for all unbudgeted expenses as part of their monthly consent agenda. Semi-annually (or more often as needed) the tracking tool is brought to City Council's attention as part of the Treasurer's Report.
10. Council-approved grants are then issued to the named grantee organization, upon receipt of their IRS Form W-9 and vendor setup. Disbursements to direct, 3rd party vendors are discouraged; however, with pre-approval from the Finance Director, a W-9 would be required for all such payees and backup documentation/invoices submitted.
11. CCCF Executive Director to be notified of any new, Council-approved grants.
12. Grantee to provide to CCCF any periodic or end of year grant report that CCCF would otherwise require of the Community Grant awardees, to aid in future grant making cycles.

Exhibits:

- A Council Action Form (CAF)
- B Budget Amendment Table

References:

City of Salida Financial Policies
Equity Lens Questions

Approvals:

Date	Name	Signature
07/05/2021	Treasurer	/s/ Merrell Bergin
xx/xx/2021	Finance Director	/s/
xx/xx/2021	Mayor	/s/

Revision History:

Version	Date Revised	Reason for Change
00	07/05/2021	Draft
01	07/05/2022	Finance Director input incorporated
02	07/06/2022	Ass't. Fin. Director feedback incorporated
03	07/25/2022	Jane Templeton feedback incorporated