



CITY OF SONOMA COMMUNITY FUND GRANT PROGRAM GUIDELINES

PURPOSE

Recognizing the important services provided by all local non-profit organizations, the City of Sonoma is establishing a spectrum of grants to help fund community programs and projects. The purpose of the Community Fund grant program is to provide a variety of cash contributions to qualified non-profit organizations that demonstrate a strong ability to provide beneficial services to Sonoma residents with a priority given to programs that focus on:

- **Youth, Adult or Senior Services**
- **Community Engagement & Civic Activities**
- **Cultural & Arts**
- **Environment & Green Initiatives**

It is the Council's intention to distribute the Community Fund grants to a wide span of agencies to benefit the greater good. While it is understood that there may not be sufficient dollars to fund all agencies and requests, the format of this grant program will allow reconsideration each year for funding of local organizations and give greater opportunity to all applicants. Other requests for programs that address needs outside these core areas may be considered on a case-by-case basis, as funding allows. Priority areas are subject to review, update and/ or ratification annually during Council Goal-Setting process.

FUNDING CALCULATION

The Sonoma City Council directed the creation of a Sonoma Community Fund equal to 1.5% of designated General Fund Tax Revenue sources to provide grants for nonprofit community service organizations. The specific General Fund Tax Revenue sources used in the calculation of the amount of grant funding available include: Property Tax-Secured, Property Tax-Unsecured, Property Tax-Supplemental, Property Tax-HOPTR, Property Tax-County Collection, ERAF (State Transfer), Sales/Use Tax, VLF Swap, Measure J-Local Sales Tax, TOT, Franchise Tax, Business License Tax and Property Transfer Tax. The total amount of grant funding may vary from year to year based on budget calculations and will be set annually through the adoption of the budget. There will be two categories of funding under the Community Fund. Each component is treated separately. The Grant Program Guidelines are applied to the Competitive Funding (90%) program only.

COMPETITIVE FUNDING (90%)

Of the total Community Fund calculation (1.5%), a total sum of 90% shall be available to distribute to eligible non-profit organizations which serve Sonoma.

To provide the maximum distribution and opportunity, grants will be provided to successful applicants on a sliding scale from a minimum of \$5,000 to a maximum of \$25,000 per program or project. No applicant shall receive more than one Community Fund grant in any fiscal year unless two or more organizations collaborate on one project as defined below:

Collaboration: Two or more non-profits share resources and have joint responsibility for managing and carrying out the proposed project. In such a case, one participating nonprofit needs to be identified as the Lead Agency, and is responsible for the financial management of the grant funds. A maximum of \$50,000 may be granted to collaborating agency programs.

GENERAL PURPOSE FUNDING (10%)

A maximum of 90% of the funding will be distributed under Competitive Funding. The remaining 10% of funding will remain as a set-aside for distribution by Council as General Purpose Funding throughout the year which may be used to support special events or smaller special purpose grants. A separate application process will be utilized for the General Purpose Funding. Caveat: If an organization receives a Community Fund grant for a project or activity, they would not be eligible to come back for any funds under this set-aside as that would constitute 2 grants.

The following information pertains to the Competitive Funding (90%) applications only:

ELIGIBILITY & CRITERIA

Eligibility requirements

Support is limited to valid tax exempt 501(c)(3) non-profit charitable organizations which have been operating for at least two years and serve the needs of City of Sonoma residents. Grant recipients must expend 100% of funds awarded by the City within the same fiscal year they are received. Organizations will not be eligible to receive funding for more than two consecutive fiscal years so that the funding would not become on-going operational funding for the non-profit or that they would become dependent upon the City for funding. Organizations may return to request funding after a one-year break from funding. The Community Fund is meant to augment funding and not be an operational or on-going funding source for any one program or project.

Ineligible Grantees

Community Fund Grants will not be made to the following:

- A. Individuals or organizations whose activities benefit an individual
- B. Religious organizations for the support or maintenance of religious causes
- C. Other governmental agencies

- D. Civic and business leagues, chambers of commerce, trade associations, social clubs, fraternal societies, and other organizations not deemed "charitable organizations" by the Federal Government
- E. Private clubs or private interest groups
- F. Political organizations
- G. Agencies which already receive more than 10% of their annual budget from the City of Sonoma

Ineligible Grant Activities/Uses

Grants may not be used for:

- A. General operating expenses
- B. On-going personnel/employee expenses to augment current operations
- C. Debt reduction or operational deficits
- D. Endowment funding
- E. Partisan, legislative, or political activity
- F. Fundraising drives, activities, or events
- G. General capital campaigns unrelated to a specific project

Process for Evaluating Competitive Grant Proposals

All applications will be reviewed and ranked by a City staff committee appointed by the City Manager. The staff committee will determine a ranking and award up to the maximum dollar amount available in the budget. The City Manager or designee shall present the ranking along with the committee's recommendation for funding at a June Council meeting. The staff committee report shall include a matrix of all applications in ranking order (highest to lowest), program description, amount requested and amount recommended for funding. For any application denied funding or for which funding is not available, shall be listed at the end of the matrix. All applications shall be distributed to Council along with the matrix. Council will take final action on approval of Grant awards.

The following criteria will be considered when evaluating proposals:

- A. Grant funds are meant to benefit the general citizenry of Sonoma/Sonoma Valley.
- B. Charitable organizations which serve both City and Sonoma Valley residents must demonstrate how their program or services provide a direct benefit for both areas.
- C. Programs and services must be available to significant segments of the public either as participants, audience members or as direct recipients of services.
- D. Grant funds may not be the sole source of contributed income for an organization's annual operating budget.
- E. City reserves the right to assign a purpose to the funds or restrict the funds from certain uses.
- F. Matching funding is not required but applicants are encouraged to cost-share or seek assistance from other sources to demonstrate their viability and revenue diversity.
- G. Grant requests must be submitted on designated Community Fund Application forms. Substitutes will not be accepted.
- H. All documents must be submitted at time of application. Incomplete grant applications will not be reviewed.
- I. **NO ATTACHMENTS:** To maintain comparability and consistency, no additional information

such as videos, brochures, letters of recommendation or other printed materials should be included with grant requests. All information submitted other than that which is specifically listed above will be removed and destroyed.

- J. Grant materials will not be returned to the applicant for copied for applicant.

Grant Application Period and Award

Grant application period will be opened no later than April 1st of each year for a period of 45 days. Grant applications will be evaluated and ranked for funding by June 1st with a recommendation to Council for Grant award at a Council meeting in June. Funds will become available July 1st or as soon after the City’s budget is adopted.

REPORTING

- The City requires a post grant completion report be submitted within 60 days of final payment including complete breakdown of program/project revenue and expenditures. For all grants exceeding \$15,000 a midyear progress report (6-month) will be required to be submitted.
- The City reserves the right to conduct an independent audit of grant expenditures up to four years following completion. The grantee agrees to provide the information necessary to complete such an audit. Failure to submit requested information in a timely fashion may obligate the grantee to refund the grant.

OTHER MATTERS

- The City reserves the right to pay grants in a single installment or in “draws” at its sole discretion.
- All payments or drawdowns will be paid to non-profit organization named in grant award. No reimbursement will be paid directly to individual or vendor.
- The City requires that all successful applicants obtain three bids for any equipment or capital purchases exceeding \$1,000.
- The City requires that all grants be closed out within one year of the receipt of funds. Funds must be spent by June 30th (close of the fiscal year) unless a grant extension is approved by Council which shall not exceed 90 days.
- At any given time organizations can only have one open competitive grant with the Community Fund unless they are a collaborating agency.
- The use of grant funds for purposes not pre-approved by the Fund or not supported through required documentation will result in a request that those grant funds be returned to the City. The failure of an applicant to properly close out a grant will be a factor when considering new grants.
- All agencies receiving grant funds must maintain a valid 501c3 non-profit status and be current with all State 990 tax report filings. The most recent two years of 990 reports will be required to be filed with grant application.

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