

RESOLUTION No. R-254157

(R81-1623)

Adopted on MAY 11 1981

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That Council Policy 100-3 entitled "FUNDING OF PRIVATE ORGANIZATIONS FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS," dated December 19, 1978 be and the same is hereby amended to read as set forth in the amended version of Council Policy 100-3 on file in the office of the City Clerk as Document No. RR-254157.

APPROVED: JOHN W. WITT, City Attorney

By Jack Katz
Jack Katz
Chief Deputy City Attorney

JK:lco:011.1
3/6/81
Or.Dept.:Fin.Mgmt.

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FUNDING OF PRIVATE ORGANIZATIONS FOR
OPERATIONAL EXPENSES OR SPONSORSHIP
OF SPECIAL EVENTS

100-3

3-16-81

BACKGROUND

Any package of community services includes elements which cannot be provided through governmental channels either because of a lack of resources or because government may not have the necessary expertise to provide the service. Such services, if they are to be offered, must be provided by private organizations with private funding. In areas where the public interest is sufficiently broad, local government can improve its level of service to the community by assisting such efforts financially. Some guidelines are needed to assist the Council in receiving and acting upon requests for funding by private organizations.

PURPOSE

The purpose of this policy is to provide a set of uniform guidelines, conditions, and criteria governing the application for, and granting of, funds to private organizations for the purpose of supporting their ongoing operational expenses and/or their sponsorship of special events. The guidelines will assist the City Council in its consideration of requests for funding submitted by private organizations.

This policy applies to City funding of community programs or events operated by private organizations to which the City contributes in the form of City support services or allocations from the General Fund or Transient Occupancy Tax (T.O.T.) Fund. The T.O.T. Fund is a special fund established in 1964 which uses hotel/motel room taxes for the primary purpose of promoting the City of San Diego. The specific use of this fund is determined by the City Council, and is included in the Municipal Code.

POLICY

A. General

1. City funding support for private organization operational expenses and for special events will be established so as to contribute to a balance of community cultural, recreational, and promotional programs designed to enhance the well-being of the community.
2. The functions or services to be provided by a private organization must be of such nature that the interests of the City are better served by an agreement with a private organization than by the performance of the services or functions by the City.

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3. Special events supported by the City must be open to the public and be free of charge. Donations, however, are not prohibited.
4. It is the policy of the City to encourage similar organizations to operate in a coordinated and cooperative manner. If the City funds an "umbrella" organization for federated support of similar activities, then the City will not independently fund other organizations which should properly be part of the "umbrella" organization.
5. The City will only provide funding support to a legally constituted nonprofit corporation completely directing and in complete control of its own affairs through its own officers or members. Support for special events must also be directed to a sponsoring nonprofit corporation. It is the policy of the City to fund local community organizations only. A representative of the City designated by the City manager shall conduct liaison with the corporation and shall be permitted to attend meetings of the board of directors of such organizations.
6. The City will not provide funding support to a private organization for the conduct of any religious or political activity.
7. The City will only provide funding support to a private organization that, in the conduct of its activities and affairs, adheres to the objectives of the City's Affirmative Action Program. The organization must not discriminate against any person because of sex, race, color, creed, national origin, physical handicaps, or age.
8. The City Council retains the prerogative to waive any policy or requirement herein contained. The Council may also impose such other conditions on City support to private organizations as it deems appropriate.

B. Funding

1. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the build-up of reserves.
2. Funding of special events will be predicated on a 1:1 City: other match of funds (dollars) guaranteed by the sponsoring organization to be secured from sources other than the City. Funding of an operating program

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will be predicated on a minimum 3:1 City: other match of funds (dollars) guaranteed by the recipient organization to be obtained from sources other than the City. Any support services provided by the City shall be considered as City funds. Donated services or products may not be considered as matching funds.

3. Funding for private organization operational expenses and for sponsorship of special events may be allocated from the City's General Fund or from Transient Occupancy Tax Fund 223 or 224, except that, in order to qualify for 223 funding, the organization activities or the special event must be promotional in nature. "Promotion" is defined as a program designed to favorably publicize the City of San Diego; such publicity having as its principal audience persons residing outside the San Diego metropolitan area.
4. It is the Council's policy not to fund sports or athletic events, unless they are of national or international significance, are held in San Diego, and are considered to have substantial promotional value to the City.
5. It is the Council's policy not to subsidize participation in events held outside the City of San Diego, by individuals, groups or teams, unless there is some unusual, compelling reason why substantial promotional value will accrue to the City because of such participation.

C. Request for Funds

1. Requests by private organizations shall be submitted by December 15 of each year for the fiscal year to follow and shall be supported by appropriate documentation prescribed by the City Manager and promulgated in a procedural guide.
2. A request for special event funding may be submitted at any time; however, when feasible the submission should meet the schedule described in paragraph C.1. above .
3. One-time special event requests must be accompanied by the same documentation outlined in paragraph C.1. above, except that financial data may be confined to the special event. A disclosure of the full-year fiscal status of the sponsoring organization will not normally be required.
4. All requests for event funding must include a disclosure of all fees that may be charged for admission to or participation in an event.

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5. Initial requests for funding must, additionally, be accompanied by documents which evidence the existence of the organization as a legal entity in good standing. Such documents shall be determined by the City Manager and promulgated in a procedural guide.

D. Evaluation of Requests

All requests for support by private organizations will be referred to the City Manager for analysis and subsequent recommendations to the City Council. All requests will be reviewed and evaluated in the light of the criteria of this Council Policy.

E. Agreements

1. No expenditure may be made out of any appropriation until a written agreement setting out the terms and obligations of the parties has been consummated. The agreement will specify in detail the services or functions to be performed, the nature of the payment or reimbursement schedule, and the financial reporting requirements.
2. All agreements will provide that the City may withhold funds from the contracting organization and terminate its entire obligation upon notice to the organization if the organization violates any of the terms of the agreement, or for other good cause shown not related to a violation of the terms of the agreement. The City Manager shall thereafter advise the City Council of the notification of termination made to the organization.
3. Compliance with the terms and conditions of agreements shall be determined by the City Manager.

F. Financial Disclosure

1. Financial disclosure information shall be required of all funding recipients. Organizations receiving operational expense funding shall provide the Contract Administrator each year copies of true, accurate and complete financial disclosure documentation evidencing the financial status of the organization's last complete fiscal year within 60 days of the end of the fiscal year. Organizations receiving event funding shall provide the Contract Administrator by sixty (60) days following the event copies of true, accurate and complete financial disclosure information with respect to all funds expended and received by the event. Such documents shall include the following:

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- a. A budget estimate
- b. A profit and loss or operating statement
- c. A balance sheet

Financial disclosure information of organizations receiving funding of \$10,000 or more must be audited by a certified public accountant.

2. An organization receiving funding support shall:
 - a. Permit the City to inspect all books and records, and to perform or require audits the City reasonably desires.
 - b. Obtain, unless excused by the Auditor and Comptroller, an audit by a certified public accountant upon the resignation, retirement or discharge of its executive director or other managing agent, or a majority change in the membership of the board of directors. A copy of such audit shall be filed with the City before any further City funds are released to the organization.

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Passed and adopted by the Council of The City of San Diego on MAY 11 1981,
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Susan Golding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fred Schnaubelt	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

By Jane A. Blackwell, Deputy.

(Seal)

Office of the City Clerk, San Diego, California	
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