THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED	September 17, 2008 REPORT NO. 08-131
ATTENTION:	Public Safety and Neighborhood Services Committee Agenda of September 24, 2008
SUBJECT:	Informational Report on Citywide Grants & Gifts
REFERENCES:	City Council Report #08-075, Grants and Gifts Business Process Reengineering

SUMMARY

THIS IS AN INFORMATIONAL REPORT ONLY. NO ACTION IS REQUIRED ON
THE PART OF THE COMMITTEE.

BACKGROUND

The City historically has decentralized the management of its grants and gifts. Individual
City Departments internally identify, request, accept, manage and track grants. While
existing Administrative Regulation 1.80 provides guidance related to grant application
procedures, it was created twenty years ago and does not reflect the current
organizational structure and process, nor does it relate to current practices in the grant
field. Existing Council Policy 100-02 *City Receipt of Donations* is thirteen years old and
no longer reflects the current City structure and process, nor does it reference
contemporary best practices in philanthropic giving and gift management. In addition,
there are no policies and/or written guidelines related to fundraising. Each fundraiser
uses his/her unique style of fundraising to identify, cultivate and secure funding from
donors. While some elements of fundraising require flexibility, consistency and
collaboration are critical to minimize confusion and duplication of efforts. In spite of
these circumstances, City departments have been fairly successful in applying for and
receiving grants.

There are approximately eighteen City departments that actively pursue grants and gifts,
however, the number of individuals involved with the process dependents on department
resources. There are limited formal methods of communication among the departments
resulting in potential redundancy, inconsistent processes, competition for the same funds
and a lack of coordination for tracking, reporting and audits. The need to establish a
centralized, coordinated effort is critical for: maximizing our success in obtaining grants

and gifts, effectively managing/tracking grants and gifts citywide and improving our efficiency and effectiveness related to governmental audits. A Business Process Re-engineering (BPR) effort was undertaken to address these issues.

The BPR Team agreed that it was very important to review and analyze as many critical processes and relevant data as possible in order to make recommendations that support the following overarching aims:

- Be proactive rather than reactive;
- Speed up the approval process;
- Assure that grant and gift efforts meet both departmental and city-wide needs;
- Increase the number of awarded, sustainable grants;
- Standardize the management of the grants and gifts processes;
- Use technology to achieve efficiencies and effectiveness; and
- Achieve greater organizational support for grant and gift efforts.

The extensive experience and knowledge of BPR Team members, as well as the best practice information gathered from other jurisdictions, resulted in a number of recommendations that would improve the administration of grants and gifts on a citywide basis. These recommendations were presented and adopted by City Council June 9, 2008.

DISCUSSION

An important aspect of coordinating grants on a citywide basis is the ability to provide status reports on statistics, ongoing activities and success stories. This report provides Fiscal Year 2008 grant statistics, detailed actions taken to date on the BPR Implementation Plan and ongoing activities related to the Grants Management module of ERP. Reports will be provided on a semi-annual basis.

Grants & Gifts Fiscal Year 2008 Statistics

The City experienced a very successful year in the application and award of grants. During Fiscal Year 2008, 19 departments were awarded 61 grants totaling $63.9 million. Granting agencies included Federal (CDBG, FAA, DOT, EPA, DOJ, BJA, Homeland Security, COPS, etc.) State of California (Cal Wellness, Dept. of Parks & Recreation, Dept. of Water Resources, Dept. of Waterways, State Library, OES, etc.) and others (SANDAG, Port of San Diego). They administered/managed 194 existing grants totaling over $248 million, closed 60 grants totaling $28.1 million, and are awaiting results for 26 grants totaling $105.9 million. Only 6 grant applications totaling $1.4 million were not awarded. Attachment 1 provides grant details by department. In addition, the Corporate Partnership Program has provided a summary of revenue generated for Fiscal Year 2008 which is included as Attachment 2. Attachment 3 lists the team members of the Grants & Gifts Coordination Team.

BPR Implementation Plan

A total of twenty-five (25) recommendations are included in the implementation plan – 8 short term, 10 medium term and 7 long term. Target completion dates have been updated and subcommittees have been established to take the necessary actions to complete the plan. The following table describes the recommendations and target completion dates.

Grants and Gifts BPR Study Recommendations

Recommendation	Target completion date
Short Term	
1. Formalize the existing grants & gifts coordination team by establishing a dotted line reporting relationship with Citywide Grants/Administration and establishing mandatory monthly coordination meetings.	05/2008 **Complete**
2. Establish a Grant Liaison in the Purchasing Department to assist with processing paperwork for procuring services/supplies with grant funds.	**Complete**
3. Implement the "new" Request for Council Action (1472) process when available, which automates and shortens the review process.	When available (estimate 10/08)
4. Expand and formalize internal (departmental), external and Regional collaborations.	07/2008 **Complete/Ongoing**
5. Develop and post checklists and templates to assist Departments with Purchasing, Auditor, Financial Management and City Attorney requirements.	10/2008 Admin to obtain documents from Depts.
6. Improve the timeliness and efficiency of Purchasing-related processes. City-wide Grants Administration to develop a "game-plan" guide for Departments to use when procuring goods and services with grant funds.	11/2008 Admin/P&C
7. Prepare and submit semi-annual informational reports to Mayor and Council.	**Complete – 1st report 9/2008**
8. Create a standing item for approval on the City Council Agenda for grants and gifts.	12/2008 Admin/Council President
Medium Term	
1. Create a process to provide an opportunity for the Mayor to prioritize grant and gift opportunities on an annual basis	12/2008 C&LS
2. Create a process to provide an opportunity for City Council to recommend priorities for grant and gift opportunities on an annual basis	12/2008 C&LS
3. Collaborate with Community & Legislative Services staff to establish an annual list of priorities for assistance with grants and gifts.	09/2008 All
4. Standardize donor recognition practices – acknowledgement, naming, signatures, Mayoral/Council recognition and PR plans.	12/2008 Donations Development
5. Update policies and procedures (Council Policy 100-02, City Receipt of Donations, Administrative Regulation 1.80, Grant Application Process).	12/2008 All
6. Develop and post a Grants Management Manual as a citywide	12/2008

Resource that includes at least the following information: ■ Grant documentation – project file application package, reference documents, terms and conditions and reporting requirements ■ Financial information – invoice, billing and expenditure requirements, performance/timeline tracking of both City and sub-recipients (if applicable) ■ Special requirements – federal circulars, state, funding entity ■ Close Out/Record Keeping – certifications, retention ■ Audit Checklist –Agency Audit, City Audit, Single Audit.	All	
7. Improve the financial management of grant and gift funds through interdepartmental collaboration and adherence to procedures in the "Grants and Gifts" Management Manual.	12/2008 OneSD Team, Admin	
8. Develop and submit for approval, a pilot ordinance to reduce processing times and allow the Mayor or his designee the ability to accept, appropriate and expend up to $1 million per grant application as long as no matching funds are required.	01/2009 G&G Subcommittee	
9. Develop a Public Relations (communications) plan to ensure key leadership, City employees and the public are knowledgeable of the grants and gifts program and awards.	12/2008 G&G Subcommittee	
10. Develop an "as needed" consultant list to assist Departments with grant writing. Departments to allocate funds to create a "pool" of dollars.	12/2008 Hold – potential budget issues	

Long Term		
1. Create and staff a centralized Grants and Gifts Resource Center to achieve improved efficiency, collaboration, reporting, and integration between centralized resources and Departmental grants and gifts actions. Features to include, but not be limited to: ■ Web-Based forums ■ Formal/informal information sharing ■ Resources that support continuous improvement of the management of grants and gifts ■ Training/education/development of grants/gifts staff ■ Assistance with grant writing identification ■ Communication network for City-wide grants and gifts team members	12/2008	
2. Utilize the Grant Management module of the SAP (ERP) software	FY2009	
3. Acquire City subscriptions to selected Grants and Gifts Search tools such as: ■ Big Online America or eCivis Grant Locator (partner with the County of San Diego) ■ Foundation Search America for Gifts/non-government grants ■ Acquire licenses to search services ($3,500 to $20,000 depending on number of users).	FY2010 **Partially complete. Purchased Big Online/Foundation Search America package w limited user ability.**	
4. Acquire a City-wide database for tracking donors that includes: ■ Contact management ■ Operational management ■ Sharing donor information across city departments	FY2010	
5. Standardize gift tracking and reporting	FY2010	
6. Consider including grants and gifts as a separate item in the budget development process similar to CIP projects.	FY2011	

7. Establish a reserve of funds for initial payments of goods and services to be reimbursed by grant funds.	Future

Grants Management Module – ERP

The following is an update on the activities regarding the Grants Management Module of the ERP System:

The Blueprint Design Phase is complete. This included the following:

- Documented the business requirements Citywide from workshops
- Identified the Grants Management Business Processes
- Prepared a Business Blueprint Document and Process Flowchart for each Business Process
- Documented the "To Be" design in SAP

The Realization Phase is currently in progress:

- Tested system configuration
- Developed custom reports
- Grant fund data analysis and data cleansing
- Data Mapping of grant budgets and actual expenditures/revenues
- Citywide Change Assessment Workshops
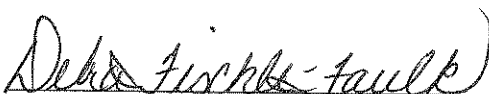- Started Training Materials

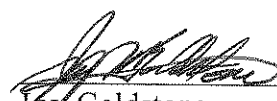The Integration Testing Phase will start shortly and includes:

- Develop testing scripts
- Detailed testing of transactions across all modules
- Document results of testing

Once implemented, this system will improve the efficiency of managing tracking and reporting grant activity. Many of the time consuming manual activities associated with managing grants once they are received, will be automated which will allow more time for identifying and pursuing additional grant funds.

Next Steps

The team will continue to meet monthly to ensure the implementation plan is completed in a timely manner, share resources and coordinate efforts more effectively and discuss issues as they arise.

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