

CITY OF SAN DIEGO, CALIFORNIA  
**COUNCIL POLICY**

CURRENT

SUBJECT: CITY COUNCIL FUNDING OF ARTS, CULTURE AND  
COMMUNITY FESTIVALS WITH DISCRETIONARY TRANSIENT  
OCCUPANCY TAX ALLOCATION  
POLICY NO.: 100-23  
EFFECTIVE DATE: August 13, 2012

BACKGROUND:

It is the purpose of this policy to establish a set of uniform guidelines, conditions and criteria governing the application for, and granting of, funds to private nonprofit organizations for the purpose of supporting their ongoing operational expenses and/or their sponsorship of special events at the discretion of each Councilmember during the fiscal year.

Annual funding levels are subject to the amount of Transient Occupancy Tax [TOT] allocated to each Councilmember in a given fiscal year.

POLICY:

It is the policy of the City Council that:

1. The aggregated, proposed funding level for annual allocations for Arts, Culture and Community Festivals [ACCF] from TOT for the Mayor and Council Offices is included each year in the Special Promotional Programs section of the Mayor's Proposed Budget.
2. Funding for ACCF from each Councilmember's annual allocation of TOT may be provided to private nonprofit organizations that produce programs, projects and events that (i) provide access to excellence in culture and the arts for residents of, and visitors to, San Diego, and (ii) enrich the lives of the people of San Diego and build healthy, vital neighborhoods.
3. Funds are not permitted to be used for food, beverages, and travel. Funds shall not be used for any private purpose, political, religious or fundraising activities.
4. ACCF funding should be considered a one-time resource, and planned uses should be one-time in nature, to avoid service interruptions or employee impacts if funding is discontinued.

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5. ACCF funding is not permitted to be utilized for administrative expenses related to the Council District.
6. Each grant of ACCF funding to a private nonprofit organization must be done by Council resolution.
7. The allocation of ACCF funding under this Policy shall be posted on the City's website, including the name of the recipient organization, the amount of funding, the Council District from which funds were allocated, and the designated use of such funds that was authorized by Council.

PROCEDURE TO AWARD FUNDS:

1. Funding allocations for nonprofit organizations:
  - a. Types of Funding Allowed:
    - i. Organizational Support: Funds may be awarded to provide annual, ongoing, general operating support for nonprofit, tax-exempt arts and culture organizations that emphasize delivering programs and services that positively impact quality of life and tourism in San Diego.
    - ii. Project/Event Support: Funds may be awarded to provide support for community-based festivals, parades and other celebrations, with an emphasis on projects and events which promote neighborhood pride and community reinvestment.
  - b. Each Council District shall recommend funding recipients based on its review of application materials and supporting documentation from all applicants that have complied with the requirements herein, including the requirements in the application.
  - c. Council Offices are encouraged to group recommended allocations for approval at a meeting of City Council.
  - d. Council Offices should encourage applicants to seek matching funds outside of ACCF funding. The availability of matching funds is to be considered by the Council District when considering an application for funding.

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1. Funding Eligibility: To be eligible for ACCF funding, each nonprofit organization must:
  - a. Be a legally recognized nonprofit and/or tax-exempt status entity.
  - b. Be financially solvent and submit the most current Internal Revenue Service [IRS] Form 990 at time of application.
  - c. Disclose all sources of funding to the organization; including all funding for the specific project request. Private funding may be listed as “Private Funding.” The source of private funds does not have to be identified.
  - d. Enter into an agreement [Funding Agreement] with the City that delineates the responsibilities of the organization with respect to the use of funds awarded and stipulating that all expenses shall be documented in accordance with the terms of the Funding Agreement.
  - e. Acknowledge that all documents related to the funding request, including application materials, the Funding Agreement and expenditure documentation are a matter of public record and as such, may be provided to members of the public.
  - f. Recognize that submission of an application for funding does not guarantee in any way that an organization will receive funding.
  - g. Demonstrate that the majority of its activities take place within the San Diego City limits and/or benefit City residents.
2. Application: Each organization requesting funding must submit the standard Arts, Culture and Community Festivals Application to the Council District from which it is requesting funds.
  - a. The application and supporting documentation must comply with all requirements herein, as well as those enumerated in the application and its instructions.
  - b. A request for funding and subsequent allocation may not be less than \$1500.

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- c. Applicant organizations must adequately describe how they will use any awarded ACCF funds and how that use will fulfill the purpose stated in this Council Policy. It must be clear from this description that each program, project or event to be supported by any awarded ACCF funding will be open to the public.
  - d. Applicant organizations must notify Council Districts if they have submitted multiple funding requests for the same (or any other) project to any other Council District or to the City's Commission for Arts and Culture.
  - e. Applicant organizations must disclose all prior funding received from the City in the last three years, including a brief description of how those funds were used, the amount of funds received and the source of funding.
  - f. A Council District may not ask for less documentation than what is required under this Council Policy, the standard application, and the application instructions, but may ask for more documentation at its discretion.
  - g. An organization may not apply to receive funding for an event or program which has already occurred, nor any goods, supplies or materials which have already been purchased.
3. Execution of Funding Agreement:
- a. Funds will only be provided on a reimbursement basis. Funds will not be reimbursed without the documentation required under the Funding Agreement.
  - b. Organizations must submit the required reimbursement documentation within sixty (60) days of expenditure, and no later than thirty (30) days after the end of the City's fiscal year.
  - c. Funding is awarded by fiscal year only. Expenditures must occur in the fiscal year in which funds are awarded. Requests for reimbursement for expenditures made outside of the fiscal year in which funding is allocated will not be processed.
  - d. If an organization is delinquent in providing the documentation required for ACCF funding under this Policy, or any other City program or Policy, funding will not be guaranteed.

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- e. The Funding Agreements under this program will be administered by the Mayor or his/her designee, with assistance from Council Administration.
- f. If the recipient organization chooses to give written recognition for the funding received, it shall recognize the City of San Diego, not individual Council Members nor individual Council Districts.

HISTORY:

“City Council Funding of Arts, Culture and Community Festivals  
with Discretionary Transient Occupancy Tax Allocation”

Adopted by Resolution R-307625 - 08-13-12