

# Proposed Financial Partner Policy

CITY COUNCIL COMMITTEE DISCUSSIONS

OCTOBER 7, 2024

## Referral to BGIR

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### Committee Charge:

Assess the effectiveness of the city's eligibility criteria in awarding Financial Partners and recommend any changes as needed ahead of the FY 2026 budget process.

### Committee Work:

- ✓ May, June and September meetings- reviewed, discussed, and provided feedback for the development of process enhancements and policy considerations
- ✓ Voted on policy recommendation



## Financial Partners Process Enhancements

- ▶ All applications submitted are compiled and presented to City Council during the annual budget development process in the form of a packet which details:
  - Funding request with percentage by category (ex. 70% operating/30% salaries)
  - Programs and/or initiatives that will be supported with requested funding
  - Performance and equity metrics that will quantify organizational success in advancing strategic priorities through funded programs and/or initiatives
  - Rank order of applicants based on review team input (new)
  - For Current Partners: Mid-year achievements, staff assessment of progress toward performance goals
  - Current Board of Directors

Green underlined = new

## Proposed Financial Partners Policy

Council adopted policy to formalize expectations and criteria for use within the annual process. Policy requirements include:

- ▶ *Organizations funded through the Financial Partners process must be active non-profit organizations. Organizations that are actively seeking non-profit status can also apply (contracts will not be finalized until non-profit status is active)*
- ▶ *The requested funding amount should be no more than 30% of organization's budget and be for one-time expenses (programming/staffing)*
- ▶ *Term Limit on Funding for General Fund Discretionary*
  - Funding for an organization can continue for up to 5 years (must be approved by Council each year)
  - After Financial Partnership period, determination can be made if on-going service contract is appropriate

## Proposed Financial Partners Policy

### ► *Performance Monitoring and Accountability*

- **Must include performance and equity metrics that will quantify organizational success in advancing strategic priorities through funded programs and/or initiatives**
- **All Financial Partner contracts will include:**
  - Performance Measures
  - CBI-Certified MWSBE Utilization Targets
  - Equity Measures
  - Payments *may* be delayed until all reporting requirements are met
- **Payments *may* be delayed until progress toward performance deliverables is confirmed**
- **If funded for previous fiscal year, agency must have demonstrated sufficient progress toward their performance measure targets at mid-year reporting to be considered for funding in the next fiscal year.**
- **Partner organizations with gross receipts greater than \$100K require a financial audit completed by a Certified Public Accountant (CPA), under \$100K will require a 2-year comparative financial statements**
  - Statement of cash flows
  - Profit and Loss statement
  - Balance sheet

## Next Steps

- › **October 2024 – Council Business Meeting**
  - Vote on proposed policy
- › **October 2024 – FY 2026 Financial Partners Application opens**
  - Communication to current and interested Financial Partners
- › **FY 2026 Budget Development Process**
  - **February 2025:** Council receives packet on FY 2026 Financial Partners funding requests
  - **February – April 2025:** Council feedback
  - **May 2025:** Funding proposal included in Proposed FY 2026 Budget
  - **Council determines funding** within the FY 2026 Adopted Budget



# Discussion & Questions

