

# Proposed Financial Partner Policy

BUDGET, GOVERNANCE, AND INTERGOVERNMENTAL RELATIONS  
COMMITTEE

SEPTEMBER 3, 2024

# Referral to BGIR Committee

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## **Policy Question:**

- ▶ Are the current eligibility criteria for various Financial Partner programs sufficient to ensure the successful provision of services and accountability to promote the most effective use of public funds?
- ▶ Are any changes needed to the criteria to both provide measurable outcomes and effective use of public funds?

## **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 and June meetings- review, discussion, and feedback
- ✓ Developed process enhancements and policy considerations



# Housing Related Partnerships

# Process Enhancements - Housing Related Partnerships

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- ▶ **Federally funded housing partners will be included within a formal procurement process via Requests for Proposals specific to the criteria and scope of the funding requirements and/or needed scope of services.**
  - Competitive process to include specific scope of work, deliverables, and performance requirements.
  
- ▶ **Additional Housing Partnerships that are funded through the General Fund will adhere to the Financial Partner Policy.**

**Financial  
Partners**

**General Fund  
Discretionary**



# Financial Partners Process Enhancements

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- ▶ **Internal cross-departmental team with representatives across several departments will rank order proposals based on the following criteria that will be provided in advance to potential applicants:**
  - If funded for previous fiscal year, agency demonstrated sufficient progress toward their mid-year performance measures.
  - The organization is providing a service that the city cannot provide or would be cost prohibitive for the city to provide, and the service is not currently being provided by another agency/partner.
  - The organization has provided meaningful objectives and performance measures
    - The performance measures identified are connected to, and advance at least one of council's strategic priority areas
    - The organization has identified measures that will advance equity within the community
  - The requested funding amount is **no more than 30% of organization's operating budget and is for one-time expenses (programming/staffing)**
  - The organization:
    - Is using a nationally recognized model/data driven approach,
    - Has an established positive relationship with the community and/or a city department

# Financial Partners Process Enhancements

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- ▶ 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*
  
- ▶ *The requested funding amount should be no more than 30% of organization's operating 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

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- › **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

