

CITY OF GUSTAVUS, ALASKA

Policies and Procedures

TITLE: POLICY AND PROCEDURE FOR AWARDING GRANTS FROM THE ENDOWMENT FUND EARNINGS

POLICY:

It is the policy of the City of Gustavus to maintain the integrity and purchasing power of the Endowment Fund (Fund) equal to, or greater than, its original 2004 purchasing power through application of earnings first toward inflation proofing, and then to disperse extra earnings in the form of grants supporting qualified projects offering broad value to the community.

The City Mayor or his/her designee shall, at least annually, determine the inflation-adjusted value of the principal of the Fund, compare that value to the present market value of the Fund as invested, and then provide opportunities to disperse available funding for community projects if the Council determines it is fiscally responsible.

While earnings may be granted for projects for functions authorized by code ordinance completed by City departments, funding priority should be given to qualifying projects being conducted by Gustavus-based groups or individuals, or City departments proposing projects that are outside those functions authorized for the City through code ordinance. Further, priority may be given to projects for which the Fund grant is leveraged to match grants from outside agencies. Fund grants shall not be made for operating expenses of the City or other organizations. Grants shall not be made to "for profit" enterprises, although a "non-profit" organization may contract with a "for profit" business for services, such as construction, in support of the Endowment-funded project.

The Mayor is accountable for assuring that steps in this procedure are completed and documented.

PROCEDURE:

The following steps shall be followed by the City Mayor or his/her designee:

1. Inflation-Adjusted Principal Value determination. By July 31st of each year, calculate the inflation-adjusted value as of June 30 of the original principal of the Fund, further adjusted as necessary per additions made over time to the principal, using the following steps applying the Anchorage Consumer Price Index (CPI) as posted in July for the first half of the calendar year by the Alaska Department of Labor at <http://www.labor.alaska.gov/research/cpi/cpi.htm>:

- a) Determine the latest CPI index for Anchorage from the posted table.
- b) Determine the multiplier value by dividing the current CPI index by the 2004 index value of 165.6 (Average value for first half of 2004).
- c) Multiply the original value of the Fund (\$963,000) by the multiplier determined in step b.
- d) The result of the calculation in step c is the inflation-adjusted value of the original principal.

Example, calculation of inflation adjusted value as of June 30, 2015:

June 30, 2015 CPI = 217.111
 Multiplier value = $(217.111)/(165.6) = 1.311$
 Inflation-Adjusted Principal Value for July 1, 2015 is
 $(\$963,000)(1.311) = \$1,262,000$ (rounded to four significant figures). This process
 will be duplicated for any additions to the Fund principal, except that the CPI
 Index for the year(s) of the addition(s) will be used in the calculation.

2. Present Market Value determination. Determine the present market value of the Fund as reported by the Fund manager for June 30 of the present year.

Example: The present market value of the fund for June 30, 2015 was \$1,403,944.

3. Excess earnings determination. Calculate the excess earnings in the Fund, from which distributions may be made, by subtracting the inflation adjusted principal from the present market value of the Fund.

Example: The excess earnings available as of June 30, 2015 were:
 $\$1,403,944 - \$1,262,000 = \$141,944$

4. Available funding for fiscal year. Calculate the funding available as 3% of the average market value of the Fund at June 30 of the last five years.

Example: Three percent of the average annual market value for five years through June 30, 2015 is calculated as:

June 2015:	\$1,403,944
June 2014:	\$1,391,960
June 2013:	\$1,265,225
June 2012:	\$1,188,172
June 2011:	\$1,161,681
Average:	\$1,282,926
3% of Average:	\$38,466

5. Grant funding availability determination. The maximum amount available for granting in the present year is 3% of Average Market Value or the present year Excess Earnings, whichever is less. Un-awarded/unexpended grant funds from previous years over \$1,000 will be returned to the Endowment Fund account to earn interest for future awards.

Example for 2015. Three percent of the five-year Average Market Value is \$38,466. The Excess Earnings amount is \$141,944. The lesser of the two is \$38,466. No un-awarded grant funds remain from previous years so \$38,466 may be made available.

6. Announcement of grant application period. The City Council may, on September 1 of each year, or as early thereafter as possible, post an announcement to the Gustavus public of the availability of Endowment Fund Grants with the total amount available. The announcement shall include eligibility requirements, selection criteria, an application procedure and outline, and a deadline of October 31.

7. Transfer of new grant funds from Fund. On December 1, the City Clerk/Treasurer will transfer the year's determined available new grant funding from the Endowment Fund to the Endowment Fund Grant checking account.

8. Grant application closing. On October 31 of each year, close the application period. In early November, Applicants will be sent an email confirming receipt of their application and

eligibility determination, and the date of the Endowment Fund Working Group work session with applicants (see #9).

9. Eligibility for Award. Grants may be awarded to city departments, non-governmental organizations or other local entities. To be considered eligible, the applicants:

1. Must not be delinquent on any City taxes, forms or payments
2. Must be Gustavus residents
3. Must be at least sixteen years of age (at least one of the project's administrators)
4. Must be proposing a discrete local project
5. Effective calendar year 2020, applicants may not receive an EFG award more than three consecutive years

10. An Endowment Fund Working Group ("Group") will be established at the first work session of November. The Group will consist of at least 3 Council Members. At this meeting, the Group will set a date for a special work session where Applicants with qualifying applications will be invited via email so Group members might ask clarifying questions of the Applicant. Each Applicant will be given five minutes to give a short presentation of their project. Applicants who are unable to attend due to special circumstances may request a separate meeting with the EFG work group to present their project.

11. Proposals will be scored by the Group based on the following criteria:

- **Project Description** (up to 25 points)– Need for project; broad community benefit and value; demonstrated ability to effectively manage the project, link to City's goals
- **Project Goals and Objectives** (up to 25 points)- defined objectives with milestones that demonstrate progress; realistic and achievable timeline
- **Budget** (up to 25 points) – detailed expenditures; well planned and researched and presented

Each member of the Group will score the application individually and the average of the three scores will be used as the final score. Applications must receive a minimum average of 50 points in this process to be considered for award.

12. Grant awards. Schedule Council selection and award of grant funding for the General Meeting of December. In determining awards, the Council shall consider the recommendations made by the Group. If the City does not receive any qualifying applications, or if the Council declines to grant to any of the year's applicants, the annual grant funds shall be returned to the Endowment Fund account to earn interest for future awards

13. Award notices. Issue notice to grantees (if any) within one week after the General Meeting in December, regarding selection with directions for receiving payments, reporting requirements, and a one-year deadline for the grant to be completed. Issue letters also to unsuccessful grant applicants notifying them of award decisions and thanking them for their applications.

14. Payments. Payments to awardees will be made by disbursement from the Endowment Fund checking account to the grantee, or direct to third party, for work approved in Endowment Fund Grant Application with proof of payment. Payments shall be made within two weeks of receipt of a properly completed Grant Financial Progress Report. Payments may be made in advance in special circumstances.

15. Monthly and final reports. The grantee shall complete and submit a monthly progress report by the last day of each month until the final report is submitted. Reports shall include progress and expenditures for the previous month. The final report shall include a narrative of the project, copies of any materials or pictures the project team wants to share, the number of people reached (served) by the project or its various elements, and a description of the project's outcomes. This report will be shared with the public. The last 10% of the grant shall not be paid until a final report has been accepted.

16. Modifications. Minor grant modifications that do not alter the goal of the project will be considered. All modifications should be submitted to the City Grant Administrator. If a monetary modification is less than or equal to five percent of the total grant award, the City Grant Administrator can determine whether to make the modification after consultation with the Mayor. If the modification request is greater than five percent of the granted amount, Council action is necessary. Non-monetary modifications shall be considered on a case-by-case basis and shall be handled by the City Grant Administrator in consultation with the Mayor.

17. Unused granted funds. Any unused funds from a closed grant shall be retained in the fund grant checking account if under \$1,000 or returned to the Endowment Fund account if over \$1,000, and re-designated as available for future awards.

2019 ENDOWMENT FUND GRANT (EFG) APPLICATION PACKET

IMPORTANT DATES:

Applications Due -	October 31, 2019 before 4pm
Council EFG work group session with applicants –	mid -November date & time tbd
EFG work group recommendations to full council –	December 2, 2019 at 530pm
Awards Announced -	December 9, 2019 at 7pm
Project Period Begins -	December 15, 2019
Final Report Due-	December 31, 2020

ELIGIBILITY REQUIREMENTS

Grants may be awarded to city departments, non-governmental organizations or other local entities.

To be considered eligible, the applicants:

1. Must not be delinquent on any City taxes, forms or payments
2. Must be Gustavus residents
3. Must be at least sixteen years of age (at least one of the project's administrators)
4. Must be proposing a discrete local project
5. Effective calendar year 2020, applicants may not receive an EFG award more than three consecutive years

FUNDING AVAILABILITY

A total of \$ **XXXXXX** is available for this grant year. Applicants may request up to the total amount.

EFG funds are not intended to be used for operating expenses.

EFG funds are paid via a reimbursement process or direct to third-party. Payments may be made in advance in special circumstances.

Funds must be spent prior to the expiration of the grant period, unless an extension has been granted.

HOW TO APPLY

An outline for the grant application is attached and may also be found on the city website at <https://cms.gustavus-ak.gov>. Sample applications may also be found on the website.

Completed applications, including any supporting documents such as letters of support, must be submitted to the City Grant Administrator: treasurer@gustavus-ak.gov no later than 4:00 p.m. on October 31st.

Preferred process for application submissions is typed, PDF format, and emailed.

In the first week of November, Applicants will receive an email confirming receipt of their application and eligibility determination.

SELECTION PROCESS

Proposals will be scored by the EFG work group, consisting of at least three city council members, based on the following criteria:

- **Project Description** (up to 25 points)– Need for project; broad community benefit and value; demonstrated ability to effectively manage the proposed project; link to City's goals
- **Project Goals and Objectives** (up to 25 points)- defined objectives with milestones that demonstrate progress; realistic and achievable timeline

- **Budget** (up to 25 points) – detailed expenditures; well planned and researched and presented

Proposals must receive a minimum of 50 points to be considered for award.

In early November, Applicants with qualifying applications will be invited via email to a special November work session where EFG work group members might ask clarifying questions of the Applicant. Applicants are encouraged to attend (ideally in person, though audio teleconference is also available) and be prepared to respond to council member questions. Each Applicant will be given five minutes to give a short presentation of their project. Applicants who are unable to attend due to special circumstances may request a separate meeting with the EFG work group to present their project.

The EFG work group will present their recommendations to the full council at the December Work Session. Applicants are encouraged to attend this meeting to answer any questions the full council may have. If there are not questions for the Applicants, it will just be a listening session for Applicants.

The full council will vote to award funding at the December General Meeting.

APPLICATION MODIFICATION

If awarded, minor grant application modifications that do not alter the goal of the project will be considered. All modifications will be submitted to the City Grant Administrator for consideration in accordance with the City's policy and procedures.

REPORTING

Grant recipients are required to submit monthly progress reports until the final report is submitted. A final report is due by December 31.

A monthly progress report form will be included with the award letter. Monthly reports should describe the progress being made such as milestones met, objectives achieved, expenditures to date, etc.

The final report will include a narrative of the project, copies of any materials or pictures the project team wants to share, the number of people reached (served) by the project or its various elements, and a description of the project's outcomes. This report will be shared with the public.

10% of the grant funds will be withheld until the final report is received.

Unused materials, equipment, or items not used for the project, purchased with grant funds, will require immediate reimbursement to the City.

2019 Endowment Fund Grant

Application Outline

I. Project Summary (1-2 paragraphs)

Total Amount Requested: \$ _____

Give a brief, general description of how the funds will be used.

II. Brief Overview of Organization or Entity (1-2 pages)

Provide details of your organization or group including:

- Contact Information and tax ID
- Identification and qualification of key personnel involved with implementing the project
- Organization's or group's relevant experience with the project
- Partnerships and relationships with other key organizations or people involved with the project

III. Project Description (1-2 pages) (Selection criteria – up to 25 points)

Explain the project using the following sections:

- **Problem Statement** – describe the need for the project including supporting documentation.
- **Community Benefit** – describe how this project will benefit Gustavus and its citizens. Who will it serve?
- **Link to City's Goals** – Does this project tie in to the City's defined goals as stated in the strategic plan? How?
- **Concluding Statement** – summarize why this project should receive funding and why now? Have you demonstrated that you have the ability to effectively manage the project?

IV. Project Goals and Objectives (1-3 pages) (Selection criteria – up to 25 points)

Provide a timeline for the project. Include milestones with dates you intend to use to track progress for each goal, objective or action as appropriate. Identify required funding for each section of the project's development. How will success be measured? What activities, services or capital will result? What are the obstacles (besides funding)?

V. Budget (1-2 pages)

(Selection criteria – up to 25 points)

- **Narrative** - Provide 1-2 paragraphs describing funding partnerships, intended match use, other avenues of funding that have been explored, revenue generating aspects of the project and disposition of revenue, and strategy for funding project elements such as reimbursement, need for advance payment, etc.
- **Partial funding**- There is often not enough money available to fully all approved applications. If your proposal was partially funded, could you still be successful in any aspects of your project?
- **Budget Detail** - Utilizing a Table or Spreadsheet, provide an itemized list of expenditures and the source(s) of purchase that will be funded by the requested grant, and how much match (funding from other sources). Group and prioritize in consideration of partial funding.

Current Ordinance Excerpt and Application for reference

- **Section 4.13.110 - Grant awards.**

(a)

The city council will develop and maintain an Endowment Fund Grant Policy and Procedure which will include a means of determining the amount available for dispersal, grant application process and form, application schedule, evaluation criteria, payment process and other pertinent information to further address the following:

(b)

By July 31 of each year, the city council shall determine the average annual market value (AAMV) of the fund. Up to three (3) percent of the AAMV of the fund may be added to the portion of the fund designated "available for grants," provided that the inflation adjusted principal of the fund is maintained.

(c)

Eligible recipients: Grants may be awarded to city departments, non-governmental organizations within the City of Gustavus, or other local entities whose proposals the city council deems worthy based on criteria outlined in the Endowment Fund Grant Policy and Procedure. At least one applicant for each project must be at least sixteen (16) years of age and a Gustavus resident. All applicants must be current on city taxes (if applicable).

(d)

Eligible purposes: Capital outlays, grant matching funds, and projects of broad community value may be funded in accordance with the Endowment Fund Grant Policy and Procedure.

(e)

Solicitation of proposals: The city council shall establish a procedure and timeline for soliciting proposals for community needs desiring funding. Proposals should, at minimum, include a written justification of need, explanation of benefits, and itemized budget showing how the funds will be spent in accordance with the Endowment Fund Grant Policy and Procedure.

(f)

Awards of grants: The city council, after due public input, shall decide by roll call vote which, if any, of the submitted proposals receive funding and in what amount, up to the total "available for grants." Any amount "available for grants" but not appropriated shall be carried forward as "available for grants" the following year. The council shall notify the investment advisor, if any, of the timeline for withdrawals from the fund.

(g)

Payments: The treasurer may make withdrawals from the fund as needed to pay for appropriated grants. Payment may be reimbursable or direct-to-third party basis as needed to assure the grant is used for the intended purpose. Payments may be made in advance in special circumstances.

(h)

Follow-up report: The grantee shall submit to the council, no later than one (1) year after the date of the award, a report describing the progress of award expenditure and evaluation of results. This report shall include, if necessary, a request for grant extension beyond one (1) year.

(i)

Retracting awards: Awards not paid out of the fund after one (1) year may be retracted by the city council for failure to 1) proceed in a timely fashion, 2) submit an acceptable and timely follow-up report, or 3) failure to obtain a grant extension. Retracted awards are returned to the amount "available for grants."

Inappropriate expenditures: If expenditures for the project are determined to be inappropriate or excessive, the grant award may be retracted, and recipients required to repay expenses immediately.

([Ord. No. FY16-04, § 3, 11-9-2015](#))

Signed: Mayor of the City of Gustavus

Date

CITY OF GUSTAVUS, ALASKA

Endowment Fund Grant Application Form

I. Project Title:

II. Organization:

Name of Organization:

Type of Organization:

Tax ID:

Address:

Phone:

Web page:

III. Principal Contact:

Name:

Address:

Phone:

Email:

IV. Project Description:

(expand to additional pages as needed)

1. Synopsis (one paragraph)

2. Complete and attach a City of Gustavus Project **Development Form** (available from City Clerk/Treasurer)

3. Total estimated cost of project (please attach contractor's estimates or website "cart" pages, if applicable):

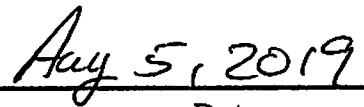
4. Amount requested from Endowment Fund Grant:

5. Matching funds available:

Source	Amount
1.	
2.	
3.	

Signature _____

Printed name: _____ Date: _____



Signed

Mayor of the City of Gustavus

Date