Council Agenda Report

City Council Meeting
11-09-26
Item 7.E.

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Angela Loera, Senior Management Analyst

Reviewed by: Christopher Smith, Assistant City Manager

Approved by: Joseph D. Irvin, City Manager

Date prepared: October 4, 2026 Meeting date: November 9, 2026

Subject: Review of Policy #40 and General Fund Grant Program Guidelines

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RECOMMENDED ACTION: 1) Adopt revised Policy #40, City General Fund Grants Payments and 2) Review and provide input on the updated General Fund Grant Guidelines.

FISCAL IMPACT: N/A

DISCUSSION: The General Fund Grant Program (Program) is a long-standing contribution made through the City's budget to support and advance community services, programs and events. In 2026, the Program allocated $150,000 across 32 organizations with awards ranging from $1,000 to $20,000. The Program is governed by Council Policy #40, City General Fund Grants Payments, which was last updated on July 11, 2005. Staff are presenting updates to Council Policy #40 as well as recommending establishing the General Fund Grant Program Guidelines to provide clarity about grant requirements and ensure efficient administration of the Program.

The General Fund Grant Program Guidelines (Guidelines) is compiled of articles from the grant agreement, Policy #40, and grant application. Additionally, staff surveyed other cities (such as Calabasas, Thousand Oaks, La Cañada Flintridge, and South Lake Tahoe) with similar programs and integrated applicable policies into the draft Guidelines. If approved, this document will be used in conjunction with Policy #40 to administer the General Fund Grant Program.

Updating the General Fund Grant Program

Following review of the General Fund Grant Program, staff identified four areas where clarification or modernization of the Program could help create clarity in program requirements and eligibility, ensure program compliance, and otherwise minimize risks and protect the City from litigation.

1. Requiring applicants have a 501(c) designation or are a government entity.

   The City must have a formally established organization to issue payment to and hold accountable for the use of grant funds. This is an existing requirement within the contract that grantees must execute with the City. For consistency, it should be made explicit in the Program Guidelines. Organizations with these designations would include:

   - charitable, religious, educational, scientific, literary or public safety non-profits;
   - organizations dedicated to social welfare and the common good, such as civic leagues and homeowner associations;
   - government agencies.

   These categories of organizations also have restrictions on political activity. It is legally required that City funding not be used or associated with political activity such as political endorsements.

2. Require applicants to disclose all sources of City-related funding, including City contracts, the Library Set Aside Funds, and fee waivers.

   The City supports many community groups through the General Fund Grant Program, the Library Set Aside Funds, as well as via contracts and fee waivers. In previous meetings, Council has asked staff to provide a comprehensive picture of how non-profits are leveraging City funding in their work to ensure that each proposal is sufficiently distinct from other funding sources. While the City can collect much of this information internally, it would be useful for grantees to make these disclosures and provide explanations for how their funding request is different from other City funding it receives. This will help guarantee that each funding stream is supporting a unique program, event, or service, avoiding any duplication of funding. This is also helpful information for Council as it allocates limited grant funding.

3. Establish a minimum and maximum grant amount.
   a. Often applicants are seeking guidance on how to best structure successful proposals. Establishing a minimum and maximum grant award would assist local groups in scaling and shaping proposals. For example, in 2026, Council awarded grants between $1,000 and $20,000 but received grant awards for larger amounts. Based on last year's grant awards, Council could institute a minimum

of $1,000 and a maximum of $20,000 as an example. These thresholds could be updated annually as staff and Council see fit.

4. Institute a 90%/10% grant award disbursement process.
   a. Currently, grantees receive 100% of funding upon award and execution of the City grant agreement. Withholding 10% of the grant award will help ensure that the terms of the grant are fulfilled within the grant period and that the City has received proper grant reporting ahead of the next grant cycle. This is critical to documenting the use of public funds and will support the City in its audits of the Program.

Updating Council Policy #40

Policy #40, is the only Council-approved policy document that formally governs the management of the Program. Specifically, it dictates the way funds are disbursed. Staff recommends updating Policy #40 to align with the suggested program guidelines. Specifically, staff recommend replacing, "Disbursement of grant funds shall be on an advance basis," with "Funds will be disbursed 90% upfront, and the final 10% shall be reimbursed upon successful completion of final report."

Incorporating guidelines and updating Policy #40 may restrict the pool of prospective applicants. However, it will also reduce risks associated with the Program, provide clarity in program administration, and allow for greater financial management of public funds.

Grant Timeline

To improve transparency and support timely grant awards, staff propose the following schedule for Fiscal Year 2026-27 awards:

- **January 11, 2027:** Release the FY 2026–27 application and guidelines; begin accepting applications.
- **February 12, 2027:** Close the application portal.
- **February 15, 2027:** Begin reviewing applications.
- **April 2027:** Present funding allocations to the Administration & Finance Subcommittee for review and recommendation to the City Council.
- **June 2027:** Present the General Fund Grant Program funding allocations to the City Council for approval.

This report was published prior to the November 3, 2026, Administration and Finance Subcommittee meeting. A verbal update will be provided on November 9, 2026, at the City Council Meeting.

ATTACHMENT(S):

1. General Fund Grant Program Guidelines
2. Policy #40
3. Policy #40 – Redline Edits

The City of Malibu
General Fund Grant Program
Guidelines

PURPOSE:

The City of Malibu General Fund Grant Program (the "Program") provides funding for qualified nonprofit organizations and government agencies located within Malibu that provide services, programs, events, or activities for the benefit of residents in the community and in alignment with the City Council's priorities.

The Program award funds are not donations or sponsorship. Applications are reviewed and awarded on a competitive basis, through the annual budget process. The City Council awards public funds to qualified organizations; and in accordance with City Council Policy #40 and relevant state and local laws.

PROGRAM FUNDING LIMIT:

The City Council establishes the total amount of the General Fund Grant Program as part of the annual budget process. Grant awards are made at the City Council's discretion and must support services, activities, events, or programs that the Council has determined are in the community's best interest. Award of funds does not establish entitlement or guarantee continuous funding in future fiscal years.

ELIGIBILITY REQUIREMENTS:

1) Must be a registered 501(c) and in good standing with the State of California or a government agency.
2) Provide a completed W-9 IRS Form.
3) Nonprofits must provide services in and benefit to the City of Malibu.
4) Applicants must disclose all sources of City funding and support, including, but not limited to, the Malibu Library Set Aside Funds, contracts with the City, and City fee waivers.
5) Publicly post organizational bylaws on its website.
6) Have an active board of directors or officers who meet regularly, with meetings open to the public.
7) Maintain an active board of directors elected in accordance with organizational bylaws.
8) Grant recipients shall indemnify, defend with counsel approved by City, and hold harmless City, its officers, officials, employees and volunteers from and against all

liability, loss, damage, expense, cost (including without limitation attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of the Grant recipient's use of the grant funds.

9) Must comply with all applicable state and local laws and regulations.

GIFT OF PUBLIC FUND COMPLIANCE:

In accordance with Article XVI, Section 6 of the California Constitution, prohibiting gifts of public funds:

1) Organizations must provide a clear and direct public service to the community;
2) Prospective applicants must clearly outline in their application how funds will directly benefit the community;
3) Private individuals and institutions are excluded from receiving public funds;
4) Primary recipients of the funded activities must be the public and not a private individual or corporation.

APPLICATION PROCESS AND REQUIREMENTS:

1) Applications are submitted annually, and information is found on the City's website.
2) Council will establish a budget for the General Fund Grant Program as part of the annual budget process.
3) Recommendations for funding are made by the City Council's Administration and Finance Subcommittee; with final award of funds from the City Council in June.
4) Applications will be evaluated based on demonstrated direct public benefit to the community and in alignment with the City Council priorities. The City Council has the sole discretion in awarding funds.
5) Applications must include:
    a. Detailed narrative of the project, activity, or event and how it will enhance the community;
    b. Explanation on direct public benefit;
    c. Proposed Comprehensive budget and timeline;
    d. Disclosure of additional City-related funding sources, including fee waivers, grants, and contracts;
    e. Most recent financial statement;
    f. List of the current Board of Directors;
    g. Organizational Chart (a diagram that shows the structure of the organization);

h. Brochure flyer or other promotional materials;

i. Internal Revenue Service verifying nonprofit status under Title 26, Section 501(c) of the Federal Code;

j. IRS Form W-9;

k. Articles of Incorporation and Bylaws.

6) Applicants may apply for a minimum of $1,000 to a maximum of $20,000 in funding.

Failure to comply with requirements will result in an incomplete application and may be denied.

DISBURSEMENT OF FUNDS:

The funds will be distributed in two increments. The first payment will be an increment of 90% of the funds awarded and will be provided to grantees upon receipt of a fully executed grant agreement. All funds received should be expended within one year of receipt and cannot be rolled over to any subsequent fiscal year without Council authorization.

The final 10% of the funds will be awarded as a second payment paid upon receipt of a final grant report. The report must be received and all grant funds spent before the end of the one-year period. The final grant report must include a financial report and details about the grant activities. The final grant report must be received, and funds must be spent before submitting a grant application for additional General Fund Grant Program grant monies.

REPORTING:

Grant recipients must:

1) Submit a final report and include a financial report; final payment is contingent upon successful receipt, by the City, of agency's final report;
2) Allow the City to review and audit any records pertaining to the General Fund Grant Program;
3) Maintain complete and accurate financial reports for a minimum of two years.

Additional information about the General Fund Grant Program can be found on the City's website at www.malibucity.org. For inquiries or to apply email grants@malibucity.org.

City of Malibu

City Council Policy

Policy #40

Title: City General Fund Grants Payments

Purpose: To establish the means by which general fund grantees receive payment from the City of Malibu.

Policy Statement:

The City Council, through the budget process, may award grants to civic organizations for the purpose of assisting them in meeting the goals of their programs.

Funds will be disbursed 90% upfront, and the final 10% shall be reimbursed upon successful completion of final report. No disbursement shall be made until a signed grant agreement has been received by the City of Malibu.

Implementation:

Based on the approved budget, the City Council may award various grants to qualifying non-profit organizations and governmental agencies from the City's general fund. These grants will be in the form of cash payments to the organization.

The City Manager will be the administrator of this grant program, although they may delegate this responsibility to a staff member.

Grant applications will require that the grant applicant specify the purpose for which the grant funds are to be used (i.e. capital outlay, salaries or program support). The award of the grant will be contingent upon the successful completion of the purpose indicated in the grant application or another purpose, as designated by the City Council.

The City Manager will disburse the grant funds only after they have received a signed grant agreement from the grant recipient. The grant agreement shall indicate that, by signing the agreement, the grant recipient will use the grant funds only for the purpose indicated in the grant application, or another purpose as designated by the City Council; that the grant recipient acknowledges that the City of Malibu has the right to audit their organization; and that any misuse of the grant funds will require full repayment to the City of Malibu.

Recycled Paper

Date Adopted:
December 21, 1999

Date Amended:
July 11, 2005

Recycled Paper

City of Malibu

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