Supplemental 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: November 3, 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 Administration & Finance Subcommittee (Subcommittee) convened on November 3, 2026, after the original agenda report was published. This supplemental report is to provide the City Council with updated recommendations from the Subcommittee.

Updating the General Fund Grant Program

1. The Subcommittee recommended revising the applicant eligibility criteria to require organizations to hold 501(c)(3) nonprofit status, including houses of worship, or a government entity, and clarifying allowable uses of grant funds. The recommendation is intended to ensure that grant funds are used for the broad benefit of the Malibu community and its residents. Consistent with this objective, participation in programs and services funded by grants must be available to the community generally, and grant funds may not be used to support religious worship, religious instruction, or proselytization.

2. The subcommittee supported the recommendation of requiring grant applicants to disclose all City in kind funding, including Library set-aside funds, fee waivers, and contracts. The subcommittee also recommended that applicants include a funding plan within their proposals that outline all funding sources for their proposal.

3. The revised recommendation, from the Subcommittee, removes the proposed minimum funding amount and sets a maximum funding request of $20,000 per organization. Further, the Subcommittee recommended that non-profits coordinate single applications for similar programs and services rather than filing separate applications.

4. The Subcommittee recommended that program funds continue to be disbursed in accordance with Policy #40. To strengthen accountability and ensure compliance with program requirements, the Subcommittee further recommended that organizations that fail to submit the required final report following expenditure of funds be deemed ineligible to participate in the Program for a period of three years. The following language is suggested for the guidelines.

Updating Council Policy #40

Policy #40 is the only Council-approved policy document that formally governs the administration of the Program and establishes the requirements for the disbursement of funds. The Subcommittee did not support the policy revisions proposed by staff and recommended maintaining the current fund disbursement provisions as set forth in Policy #40. Accordingly, the existing disbursement framework will remain unchanged. However, consistent with the recommendation outlined above, staff recommend incorporating the updated redline revisions.

a. The final report must be received no later than the date stipulated in the Grant Agreement. All awarded funds must be spent before submitting an application for future General Fund Grants. Future grant funding may be denied or approved by the City in its sole discretion. Noncompliance will prohibit the grant recipient from applying for grant funds for three years.

ATTACHMENT(S):

1. General Fund Grant Program Guidelines – Redline Administration & Finance Subcommittee Edits
2. Policy #40 – Redline Administration & Finance Subcommittee 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)3 and in good standing with the State of California or a government agency.
2) Participation in programs and services funded by the Program must be available to the community generally, and grant funds may not be used to support religious worship, religious instruction, or proselytization.
3) Provide a completed W-9 IRS Form.
4) Nonprofits must provide services in and benefit to the City of Malibu.
5) 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.
6) Publicly post organizational bylaws on its website.
7) Have an active board of directors or officers who meet regularly, with meetings open to the public.

8) Maintain an active board of directors elected in accordance with organizational bylaws.
9) 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.
10) 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 all sources of revenue, including in-kind contributions, anticipated funding, and any City-related financial of support, such as City contracts, Library Set-Aside Funds, and fee waivers.

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)3 of the Federal Code;

j. IRS Form W-9;

k. Articles of Incorporation and Bylaws.

6) Applicants may apply for a maximum of $20,000 in funding. This limit also applies to organizations submitting applications under different agency names and consolidating funds.

7) Applicants disclose all funds, in-kind donations, anticipated funding, and City-related funding sources, including city contracts, the Library Set Aside Funds, and fee waivers. Additionally, applicants must also disclose prior funding awards, their amounts and narrative.

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

DISBURSEMENT OF FUNDS:

In accordance with Policy #40, upon receipt of the signed Grant Agreement, grantees will receive all awarded funds. Grantees are required to furnish a final report no later than the date stipulated in the Grant Agreement. All awarded funds must be spent before applying for future General Fund Grants. Future grant funding may be denied or approved by the City in its sole discretion. Noncompliance will prohibit the grant recipient from applying for grant funds for three years.

REPORTING:

Grant recipients must:

1) Submit a final report and include a financial 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.

Disbursement of grant funds shall be on an advance basis. No disbursement shall be made until a signed grant agreement has been received by the City of Malibu.

The final report must be received no later than the date stipulated in the Grant Agreement. All awarded funds must be spent before submitting an application for future General Fund Grants. Future grant funding may be denied or approved by the City in its sole discretion. Noncompliance will prohibit the Grant Recipient from applying for grant funds for three years.

Implementation:

Based on the approved budget, the City Council may award various grants to qualifying ~~civic organizations,~~ non-profit organizations and governmental agencies ~~grants~~ 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 ~~he or she~~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 ~~he or she has~~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.

Date Adopted:
December 21, 1999

Date Amended:
July 11, 2005

Recycled Paper