

# Neighborhood Purposes Grants

## NC Funding Program Policy 2.4 - Expenditures for Neighborhood Purposes Grants (NPG)

### Los Angeles Administrative Code 22.817:

***NCs are authorized to make monetary grants to nonprofit corporations (excluding religious institutions and private schools) organized under 26 United States Code Section 501(c)3 and to public schools pursuant to the criteria set forth in Article XI of the Plan for a Citywide System of Neighborhood Councils.***

### 1. Neighborhood Purposes Grant

The Neighborhood Purposes Grant (NPG) program provides NCs with greater opportunity to benefit their communities while supporting and building partnerships with local public-benefit organizations. Eligible organizations include 501(c)(3) nonprofits and public schools.

- a. Grants cannot be issued to religious organizations or to private schools.
- b. NPGs must be approved by the NC at a Brown Act compliant meeting. The grant must be approved as an individual agenda item.
- c. Any NPG issued by an NC must be for a public purpose: How will the grant help the community? Please refer to document entitled, “*What is a Public Benefit*” of the application for Neighborhood Purposes Grant for more information.
  - i. Funds requested for purposes of purchasing uniforms or other personal equipment to be utilized by individuals, i.e. cheerleader uniforms, football helmets, music instruments, etc., the items must be considered property of the Grant applicant, available to the general community the applicant serves, and must remain with the applicant until the retirement of the items.
  - ii. Funds requested for purposes of providing scholarships or financial assistance to community members are allowed as long as a public purpose and benefit is demonstrated, and the NC is not involved in the process of selecting the scholarship or financial assistance recipients and no NC board member or family members become recipients of the scholarships or financial assistance.
- d. NPGs cannot be approved as part of an annual budget as specific line item expenditures.
- e. NCs shall vote on completed NPG application packets which include the following documents:
  - i. Completed and signed NPG Application Form as provided by the Office of the City Clerk
  - ii. 501(c)3 Letter of Determination from the Internal Revenue Service for a non-profit organization applicant; Or
  - iii. Letter from the school on the school's letterhead, signed by the school principal for a public school applicant.
- f. NPGs are primarily for prospective community-benefit projects, and NPG applications shall be approved by the NC before the Completion Date listed on the NPG application.

- i. NPGs approved after the Completion Date shall not be authorized for payment by the Office of the City Clerk.
- ii. NPG must demonstrate funds requested are needed in the current Fiscal Year for the approved grant funds to be issued out of the current Fiscal Year account of the NC.
- iii. Individual board members cannot commit NC funds without prior board approval.
- iv. NPG funds may not be used for reimbursements for expenditures made in anticipation of the approval of an NPG
- g. NCs must submit (upload) the approved NPG application packet with a Board Action Certification to the Office of the City Clerk after the Board approval vote is taken.
- h. Before funds are granted, NPG requests must be approved by both the NC Board and the Office of the City Clerk.
- i. The NC Funding Program may request additional information to further evaluate a proposed grant payment request.

## **2. NPG-Funded Events**

- a. Article II Section (2) of the Plan states: "Certified NCs must encourage all Community Stakeholders to participate in all of their activities, and may not discriminate in any of their policies, recommendations or actions against any individual or group on the basis of race, religion, color, creed, national origin, ancestry, sex, sexual orientation, age, disability, marital status, income, homeowner status, renter status or political affiliation." Therefore, all events funded by an NPG, whether in whole or partial funding support, must be open and accessible to the public and free of charge.

## **3. Eligibility to Award Neighborhood Purposes Grants**

- a. Only NCs in good standing with the NC Funding Program will be eligible to participate in the NPG program. Good standing means the following:
  - i. NCs must have a current Fiscal Year budget on file with the NC Funding Program;
  - ii. NCs should ensure sufficient funds have been allocated within their annual budget for NPG awards;
  - iii. NCs cannot be delinquent with their Monthly Expenditure Reports submissions to the NC Funding Program (see NCF Policy 6.0.3 Corrective Measures);
  - iv. NCs must have an eligible Treasurer and Signer on the Board; and
  - v. NCs cannot be in Exhaustive Efforts.

## **4. Conflict of Interest Laws**

- a. State and local conflict of interest laws that currently apply to the NC Funding Program also apply in the consideration of Neighborhood Purposes Grant requests.
- b. Should there be a conflict due to an affiliation with an applicant, board members should recuse themselves from the discussion and vote on an NPG request. Recusal means that a board member cannot participate in the presentation, discussion, and voting of the request and must leave the meeting room before any consideration on the request begins. Please

refer to the document entitled, "*State and City Conflicts of Interest Laws for NCs*" of the application for Neighborhood Purposes Grant and/or Department of Neighborhood Empowerment's representative for more information.

**5. Contract Requirements for Neighborhood Purposes Grants**

- a. Through the Neighborhood Purposes Grant, NCs have the legal authority to issue grants of public funds in amounts up to \$5,000.00 without a written contract.
- b. Grants for amounts \$5,000.01 and over will require further review on a case by case basis for City contract considerations in coordination with the Office of the City Clerk so as to meet City contracting standards. NCs are not authorized to enter into contracts. When a contract is required, the City Clerk will enter into agreement on behalf of the NC.

**6. Grant Project Completion Follow Up**

- a. As a best practice, NCs are strongly encouraged to require the grantee to provide a Project Completion Report to provide accountability for the proposed project goals and use of the funds awarded and to demonstrate evidence of successful efforts benefiting the community. The Project Completion Report form is available online at [clerk.lacity.org](http://clerk.lacity.org)

**7. Method of Payment**

- a. Payment awards approved for Neighborhood Purposes Grants can only be issued through the check payment method:
  - i. The NC must provide a completed Board Action Certification (BAC) Form and a completed NPG application packet after the board approval vote is taken.
  - ii. Check payment requests must be submitted through the NC Funding System portal.