



Neighborhood Purposes Grant (NPG) Announcement and Explanation

Dear Neighborhood Council Leaders:

The Department of Neighborhood Empowerment (Department) is pleased to announce that the City Council and the Mayor have given final approval to the ordinance establishing the Neighborhood Purposes Grant (NPG). This approval is the culmination of intense effort by the Department to provide Neighborhood Councils with greater flexibility in spending their allocated funds. **Effective March 30, 2009**, Neighborhood Councils will enjoy a significantly enhanced ability to form partnerships with 501(c)(3) nonprofit organizations and public schools in their communities. (Please note that grants cannot be issued to religious organizations or to private schools.)

In addition to paying vendors on the basis of an invoice, Neighborhood Councils will now be able to request that grants be issued for projects and for organizational/operational costs.

Note: Grants will only be issued in the form of City checks, (demand warrants), not charge card transactions. This will ensure maximum transparency and tracking of grants issued.

Conflict of Interest Laws Apply

The state and local conflict of interest laws that currently apply to the Neighborhood Council Funding Program and that are included in funding training packets also apply to the Neighborhood Purposes Grant. At a minimum, board members must recuse themselves from a vote to approve a grant should there be a conflict due to an affiliation with an applicant organization. There should be full disclosure and transparency. Please review these laws. As a reminder, the state and local conflict of interest laws are posted on the Department's website at: www.empowerLA.org.

Neighborhood Councils in Good Fiscal Standing

Only Neighborhood Councils in good fiscal standing will be eligible to participate in the NPG program. Neighborhood Councils must comply with all of the following requirements:

- Must have a current fiscal year budget on file with the Department
- Must have a current fiscal year resolution for said budget on file with the Department.
- Must have submitted the previous two quarters of audit materials (including receipts/invoices)
- Must have the Neighborhood Council's inventory reports up to date and on file with the Department.

You can check your fiscal status on our website at www.empowerLA.org

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Application Form, Board Approval and Public Purpose

501(c)(3) nonprofit organizations and public schools must complete a Neighborhood Purposes Grant Application. The application must include all required information and documentation. An electronic version of the NPG application is available on the Department's website.

Neighborhood Councils must evaluate all grant applications in a public meeting, deciding whether to approve or disapprove the proposed grant. ***If a grant application is approved for funding the board's resolution MUST include the grant's public purpose and benefit.***

All grant approved NPG applications must be sent to your Neighborhood Empowerment Analyst for review. The following is a checklist of the required documentation:

- Demand warrant form (modified to include a NPG selection)
- Board resolution (including public benefit statement)
- NPG application (checking for contact information, EIN, explanation of public purpose and project budget information)
- IRS determination letter (proof of nonprofit status)
- Project budget

Once the Neighborhood Empowerment Analyst has reviewed the application for completeness it will be forwarded to the Neighborhood Council Funding Unit of the Department for processing. If these documents are in compliance, the Department will then process a check to the grant recipient.

Grants Up to \$5,000

Neighborhood Councils will now have the legal authority to issue grants of public funds in amounts up to \$5,000 without a written contract provided that all the aforementioned documentation is submitted to the Department.

Grants of \$5,001 and Above

In addition to the aforementioned Demand Warrant (DW) form, Neighborhood Purposes Grant Application (including grantee's EIN), board resolution, proof of 501 (c)(3) nonprofit status, and project budget, please note the following:

Grants for amounts of \$5,001 and above will require contracts drafted in coordination with the Department so as to meet City contracting standards. Neighborhood Councils do not have the legal authority to enter into unilateral contracts.

Grants for amounts above \$20,000 will require the approval of the General Manager of the Department and the Board of Neighborhood Commissioners.

Posting Grants on the Department's Website

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www.empowerLA.org

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Grants issued by Neighborhood Councils will be posted on the Department's website so that stakeholders can monitor the progress of the Program.

If you have any questions please contact Rodger Shimatsu of the Neighborhood Council Funding Program at (213) 473-5383 or toll free at 3-1-1 or by email at Rodger.shimatsu@lacity.org.