

ATTACHMENT #3

City of Indian Wells

Sponsorship and Community Assistance Funding Policy



Amended by the Council on September 4, 2025

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Purpose of this Policy

The Policy aims to establish annual procedures and approvals associated with funding sponsorships and community assistance expenditures. For this policy, the City defines sponsorships and community assistance as distinguished primarily by their underlying objectives and structural frameworks.

Sponsorships: Sponsorships represent strategic partnerships in which the City provides financial support, resources, or services in exchange for promotional benefits, brand visibility, or other measurable returns.

- Sponsorships are evaluated based on their potential to generate a clear and measurable financial return for the City. These sponsorships are assessed on their ability to create a return on investment (ROI), or;
- Evaluated based on their potential to generate enhanced city branding or strengthened community engagement. These sponsorships aim to improve the City's visibility and enhance its brand identity where a measurable ROI is not the primary focus or is difficult to calculate.
- Specifically excluded from this policy are sponsorships below \$5,000, such as sponsored luncheons, or other events to financially support non-profits or other governmental organizations. More common examples include purchasing a table for an awards or recognition luncheon, participating in a valley event such as the economic summit, or sponsorship level support of a non-profit event such as a fundraiser.

Community Assistance: Community assistance is characterized by a focus on social impact rather than financial gain. This form of engagement can originate from non-profit organizations, mission-driven entities dedicated to addressing societal needs, such as providing food security, housing, or educational resources, and for-profit organizations participating in corporate social responsibility (CSR) initiatives.

Fund Usage Disclosure and Reporting Requirements

Purpose: To ensure transparency and accountability in the allocation and use of City funds, all recipients of City financial support, including sponsorships and community assistance, must adhere to the following requirements.

Fund Usage Disclosure: All applicants for City funding must provide a detailed statement outlining the intended use of the funds. This statement must include:

- A clear description of the funded project, program, initiative, and timeline.
- A breakdown of anticipated expenditures, including specific budget categories (e.g., materials, staffing, marketing).
- Measurable objectives and expected outcomes.

Reporting Requirements: Any recipient of City funds shall be obligated to submit a comprehensive written report to the City no later than ninety (90) days following the completion of the funded activity, or on the anniversary of the date on which the funds were approved, whichever occurs first.

This report must include:

- A summary of how the funds were used, referring to the original proposed budget.
- Documentation of actual expenditures (e.g., receipts, invoices).
- An evaluation of outcomes achieved in relation to the objectives stated in the application.
- Any unforeseen challenges or deviations from the initial plan, with explanations.

Compliance and Accountability: Failure to submit the required report or misuse of funds may result in:

- Ineligibility for future City funding.
- Requirement to return unspent or misused funds.
- Additional actions as deemed appropriate by the City Council.
- Reports must be submitted and approved by the City before the recipient can submit additional funding requests.

Review and Enforcement: The City will review all submitted reports to ensure compliance. Random audits may be conducted to verify the accuracy of reported expenditures. This reporting requirement aims to foster responsible use of public funds and maintain trust between the City and its community partners.

Approval Process

Purpose: This section outlines the procedures for approval of allocations to ensure responsible financial management and alignment with the City's strategic priorities.

Proposal Submission: Applicants seeking City funds must submit a formal proposal. Each proposal must include:

- A detailed justification for the requested funds, highlighting the alignment with City objectives.
- A breakdown of projected expenditures by category.
- Projected return on investment (ROI) requirements, when applicable.
- Projected outcomes and benefits for the community.
- A timeline for fund utilization.

Review and Approval Process: All proposals submitted under the Grants in Aid Program shall be reviewed and evaluated by the Grants in Aid Committee. The City Manager's Office shall administer sponsorship requests received by the City. Upon receipt of a sponsorship request, the City Manager's Office shall provide notice to the full City Council to determine whether there is interest by any Council Member in pursuing the sponsorship.

In the event that one or more Council Members express such interest, the sponsorship request shall be forwarded to the Finance Committee for review and evaluation. In the absence of Council interest, the request shall not be referred to the Finance Committee and no further action shall be taken.

The Finance Committee shall review sponsorship requests and community assistance proposals that fall outside the scope of the Grants in Aid Program. Following their respective evaluations, both the Grants in Aid Committee and the Finance Committee shall transmit their recommendations to the City Council for consideration at a duly noticed public meeting. Final approval of any proposal, sponsorship, or community assistance allocation shall require an affirmative vote of a majority of the City Council.

Decisions will be based on:

- Evaluation of financial feasibility and cost-effectiveness.

- Assessment of alignment with City priorities and strategic plans.
- Consideration of previous funding history and compliance with past reporting requirements.
- Available resources.
- The proposal's anticipated impact on the community.
- Compliance with applicable City policies and legal requirements.

City Sponsorship Funding Policy

Sponsorship requests submitted to the City shall be directed to individual Council Members for an initial determination of interest. If a Council Member indicates support for further consideration, the request will be referred to the Finance Committee for review and evaluation. Following its review, the Finance Committee shall forward the sponsorship request, along with its recommendation, to the full City Council for final determination.

The City's sponsorship funding program is designed to support initiatives that align with municipal priorities while delivering measurable benefits to the community. While Sponsorship can overlap in value to the City, they generally fall into two funding categories:

Return on Investment (ROI)-Driven Sponsorships: These sponsorships are evaluated based on their potential to generate a clear and measurable financial return for the City. Applicants must demonstrate the expected economic impact, such as increased tourism, business activity, or direct revenue generation. Proposals should include data projections, performance metrics, and a post-event evaluation plan to assess the realized ROI.

Marketing and Branding Exposure Sponsorships: These sponsorships are evaluated based on their ability to enhance the City's brand recognition and overall visibility. While a measurable return on investment (ROI) may not be the primary objective or challenging to quantify, these sponsorships must demonstrably align with the City's strategic marketing initiatives and brand identity framework to ensure consistency with municipal goals and priorities.

General Requirements: All sponsorship funding requests must:

- Clearly define the intended benefits to the City.
- Include a detailed budget and funding allocation plan.
- Provide measurable outcomes to evaluate the effectiveness of the sponsorship.

Community Assistance Funding Policy

The City defines *Community Assistance Funding* as discretionary expenditures the City Council allocates annually to eligible non-profit organizations within the Coachella Valley. These organizations must provide essential services that the City does not otherwise offer.

Funding Allocation Methodology

- The annual community assistance funding budget shall be determined by calculating twenty-five percent (25%) of the preceding fiscal year's *General Fund Net Change in Fund Balance* (post-capital contributions). This calculation shall be based on year-end estimates established during the final quarter of each fiscal year.
- The maximum allocation shall not exceed \$200,000 per fiscal year.

Allocation Structure

The total annual funding shall be divided into two distinct pools:

- Grants-in-Aid Program: Allocated 80% of the total available funds.
- Discretionary Fund: Allocated 20% of the total available funds to be disbursed solely at the discretion of the City Council.

Financial Compliance Requirements

- Community assistance funding is contingent upon the City's ability to meet its financial obligations under the current *General Fund Cash Flow Plan*, as approved and amended by the Finance Committee and consistent with the City's adopted *Annual Budget*.
- If available funds are insufficient, community assistance funding will be reduced or suspended until all financial requirements are satisfied.

Budget Roll Forward Policy

- The Finance Director shall carry forward any unexpended funds from either funding pool prior to the fiscal year's close and report those unexpended funds to the Finance Committee during the annual budget period.
- Rolled forward funds shall be incorporated into the subsequent fiscal year's budget and remain available for expenditure.
- These funds shall be maintained separately from the annual calculation of the Community Assistance Funding Program and will not affect the determination of new funding allocations.

Policy on Community Assistance Funding Requests Exceeding \$200,000

Funding requests submitted to the City for amounts exceeding \$200,000 shall be evaluated independently of the general policy requirements and will be subject to the following criteria prior to City Council approval:

- **Application Submission:** Applicants must provide all necessary documentation in accordance with the Community Assistance Grant Program Requirements. With each application, a Council-appointed Committee will be selected to review the funding proposal and present its recommendations to the City Council.
- **Council Review:** A staff report summarizing the Committee's recommendations shall be prepared and included on the City Council agenda for formal consideration.
- **Applicant Presentation:** The applicant will be afforded the opportunity to present their proposal directly to the City Council during the scheduled agenda item.
- **Council Decision and Community Involvement:** If the City Council, by majority vote, approves the advancement of the funding request, the applicant will be required to incorporate a Community Involvement component into the funded initiative.

To ensure maximum transparency, maintain public trust, and foster meaningful resident participation, the City of Indian Wells shall retain full oversight, direction, and control over all aspects of the community engagement process related to any request for City funding. This includes, but is not limited to, the planning, approval, execution, and distribution of all public communications and outreach efforts. Under no circumstances shall the applicant independently conduct or disseminate any information to the public regarding the proposed funding request.

All costs associated with the community engagement process shall be borne solely by the applicant, but the City will produce, approve, and distribute all materials and manage all

engagement activities directly. This process is intended to:

- Solicit meaningful resident feedback
- Inform the public of the potential financial impact of the proposed request
- Ensure that the City Council has considered the views of the community before making a funding decision

Community engagement shall include, at a minimum, the following City-led components. Each step must be completed under the City's direct supervision and reviewed before any final funding decision by the City Council:

- **Public Meeting Requirement:** The City shall organize and host at least one public meeting for the purpose of presenting the funding proposal and allowing for resident questions and comments. The applicant is required to attend this meeting but shall not present independently. All presentation materials, talking points, and responses to inquiries shall be developed or approved by City staff in advance. This meeting must occur prior to any final City Council decision.
- **Resident Notification:** The City shall prepare and mail a written notification to all Indian Wells households via the U.S. Postal Service. This notification will include a summary of the funding request, information on potential fiscal implications, and details about opportunities for public input. While the applicant shall be responsible for all mailing expenses, only the City may draft, approve, and distribute this communication.
- **Community Feedback Collection:** To expand opportunities for public participation, the City Council may choose, at its option, to conduct a community-wide survey. This may take the form of mailed questionnaires or a secure, cloud-based civic engagement platform. The City will design and administer the survey and retain complete control over its content, timeline, and distribution. The applicant shall cover all related costs. City staff will compile a summary report of the survey findings and present it to the City Council prior to a final funding decision.
- **Final Public Deliberation:** Once all community engagement activities have been completed and resident feedback has been compiled and reviewed, the City Council shall conduct a final public deliberation during a regularly scheduled Council meeting. At this time, the Council will consider all community input and staff analysis before making a decision on the proposed funding request.