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City Council**

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Contact: Antoine L. Oakley
Director of Communications
302.519.4717
aloakley@wilmingtonde.gov

COUNCIL STRENGTHENS FUND ALLOCATION MEASURES FOR GREATER ACCOUNTABILITY AND TRANSPARENCY

Wilmington, DE (September 29, 2017) In advance of Monday's Finance & Economic Development Committee meeting where Council will consider an ordinance proposing several key amendments and additions to the City Code regarding discretionary/grant funding, Wilmington City Council President Hanifa Shabazz today announced additional measures for strengthening accountability and transparency throughout the grant application, allocation and reporting processes for all City entities with budgeted grant funding.

After a comprehensive review of existing Code provisions, internal policies and established processes regarding the allocation of discretionary and grant funds; a review of similar systems and funding allocation processes established in New York City, Philadelphia, Richmond, Virginia, and New Castle County; guidance from the City of Wilmington Audit Department; and input from Council's Committee of the Whole during the September 8th meeting – City Council has begun the process of implementing the following process enhancements for allocating grant and community support funding:

Increased Transparency and Communication Channels

Of great significance to enhancements for grant allocation processes is increased transparency and communication, particularly for City Council. In light of this objective, the following measures are being taken:

- 1. Enhancing communication channels among Council Members:** Historically, organizations have approached several Council Members individually to request funding, which could lead to several Members, including the President, independently considering similar proposals, and potentially moving to allocate funding at different times. Recognizing this, along with acknowledging the benefit of greater and more frequent information on allocations being shared with Members, Council staff have already posted comprehensive information on allocations on the internal Cloud drive. This internal file will be updated on a regular basis to account for new allocations and keep Council Members informed.
- 2. Publishing information on grant allocations online:** Using its newly released website, City Council will post information on grant funding allocations for public review and scrutiny. This information will be updated on a regular basis as well. This enhancement follows a practice in place for similar grants issued by the New York City Council.

3. **Publishing an annual report to highlight the benefits and accomplishments of supported programs and causes:** Following the suggestion of the City of Wilmington Audit Department, City Council will publish, after the close of each fiscal year, an annual report detailing the various accomplishments and benefits of programs and causes supported by Council grant funding. Compiling and sharing such a report can serve not only to celebrate the various organizations doing good in our City and addressing unmet needs among Wilmingtonians, but it can also serve as an encouragement for other organizations to join in on the great works being done in the community.

Policy and Internal Control Enhancements

Another core component of these enhancements relates to policies and internal controls in place to govern and set standards for the allocation of grant funding. Council is embarking upon the following steps:

4. **Establishing a grant application period for grant allocations of \$5,000 or more:** Following the example set by New York City, the Wilmington City Council will establish a grant application period, which will run from November 1 through January 15 preceding the fiscal year when funding is needed. The purpose of this process is to invite organizations throughout Wilmington seeking funding support of \$5,000 or more to submit an application during this specified period, rather than the past practice of requesting funds throughout the year. Applications can then be reviewed and evaluated against one another. In addition, this process allows for the inclusion of allocated grant funding of \$5,000 or more to be included as line items in the City Council budget for the following fiscal year, which could serve to add further transparency to this process. Council will still consider funding requests outside of this application period, but only in limited circumstances and related to unanticipated funding needs of community-wide importance.
5. **Publishing a policy and procedures manual for Council grant funding:** Adopting a recommendation of the City of Wilmington Audit Department, City Council will publish a policy and procedures manual with all of the guidelines related to grant applications and allocations. While these provisions have long been in place internally and have been provided to Council Members, grant applicants and grant recipients, publishing these as a comprehensive manual made readily available to the public carries the promise of even greater transparency and accountability. The manual will include the mission statement for the fund program, clear restrictions on the use of funds, and provisions related to conflicts of interest and fiscal conduits.
6. **Forming a review panel for funding applications and requests:** City Council President Shabazz will form a staff review panel to vet and review incoming grant funding applications and provide suggestions for funding, adding an additional layer of review and scrutiny to the internal process of considering applications.

Legislative Measures

The careful review of existing policies and practices, as well as research conducted on how other cities manage similar funding programs, has also presented the need for legislative measures, to include:

7. **Enhancing existing legislative requirements and codifying additional provisions to enhance accountability and transparency:** City Council introduced, at its September 21 meeting, an ordinance to propose several key changes and additions to the City Code that will apply to all grant funding awarded by the Office of the Mayor, City Council or the City Treasurer, including:
 - a. **Improving the existing provisions of Sec. 2-368 (Allocation of Grants):**
 - Clarifying the threshold of existing requirements as \$5,000 or greater (as opposed to funding “that exceeds \$5,000”)
 - Adjusting reporting timelines to ensure that grant recipients submit reports when funding has been allocated and when meaningful details can be relayed to the City; however, in some cases, the Code will allow an awarding entity to impose more frequent or regular reporting requirements depending upon the nature of the grant funding and the programming or cause it is supporting.
 - b. **Adding a new City Code section – Sec. 2-369 (Approval of Grant Awards)**
 - This new Code section would require approval by resolution of City Council any allocation of \$5,000 or more. Such a resolution would be brought before the Finance Committee for discussion and review, before being sent to the full Council for consideration and a vote. In the event an organization was allocated funding on more than one occasion in a single fiscal year, such a resolution would be required at the time when a proposed allocation would result in an aggregate funding amount of \$5,000 or more for that fiscal year. The only exception to this requirement would be allocations listed as line items in the adopted annual budget, as they would already be subject to public scrutiny and discussions among members of Council as part of the annual budget process. This legislative approach mirrors a similar approach in Richmond, New York City and New Castle County.
 - c. **Adding a new City Code section – Sec. 2-370 (Notification of Grant Awards)**
 - This new Code section would require notification of all other grant funding allocations of less than \$5,000, to be provided to the Finance Committee on at least a quarterly basis. This would ensure that all other grant fund allocations that would not require approval by resolution, would be made public through this formal notification.

Strategic Approach to Funding Decisions

Finally, the City Council Strategic Planning Process provides an invaluable framework to help guide future initiatives and focal points for City Council. Recognizing this, it is important to incorporate this collaborative guiding document in the allocation of grant funding:

8. **Connecting budgeting and funding decisions and allocations to Strategic Planning Process priorities:** Outside of specific allocations of \$5,000 or more that will be listed as line items in the City Council budget, the remaining discretionary/grant funds will be budgeted in categories that reflect priorities of the City Council Strategic Planning Process. This approach will provide greater transparency and insights to the public regarding the various causes funds will benefit. Individual funding allocations will still follow the same processes, but would then be made out of various categorized line items.

Wilmington City Council's Finance and Economic Development Committee meeting will be held on Monday, October 2, 2017, at 5pm, on the first floor of the Louis L. Redding City/County Building located at 800 French Street in Wilmington.

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