

Non-profit Funding Process

Opening General Statement:

The City of Sedona encourages and may fund 501(c)(3) organization activities that serve a public purpose, provide a fair return value to the City and are consistent with the City's funding priorities. Activities which may be funded include those which enhance the City's commitment to arts and culture, civic and community service which foster the well-being and prosperity of the city and its residents.

Outcome Objectives:

- Assurance that all funding serves a public purpose,
- Documented return on value to the city,
- Fair, equal and open opportunity for all non-profits to participate,
- Potential access to higher funding level for all organizations,
- Structured, objective and consistent selection process,
- Greater opportunity for creative proposals and innovation in use of public funds.

General Criteria for Funding

Eligible organizations:

1. Recognized by the IRS as a 501(c)(3) organization,
2. Provides documented services directly to City of Sedona residents,
3. Has an independent Board of Directors of at least five or more, and,
4. Demonstrates the leadership and financial capacity to create significant and long-lasting impact in the community or on the target population.

Ineligible organizations:

1. "Conduit" organizations using funds to support other organizations or individuals.

Eligible programs and activities must:

1. Meet the definition of public purpose by providing the following:
 - a. Direct public benefits as opposed to an indirect or remote benefit,
 - b. Programs and services that promote public health, safety, general welfare, prosperity and contentment, and,
 - c. Equal and open access to all members of the community with no one being easily excluded.
2. Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, civic and community service, community building and economic stimulation.
3. Demonstrate that city funding is essential to the success of the program or service,
4. Directly benefit City of Sedona residents,
5. Strive for programs that are innovative and distinctive.

Ineligible programs and activities are those that:

1. Discriminate based on membership status or economic status.
2. Fund travel or training for organization officers, members or volunteers,

3. Provide direct grants to individuals,
4. Fund organizational deficit reduction, endowments or fundraising campaigns (Stephanie – please help us with this last one.)

Funding Categories

Three funding allocations will be established as part of the City budgeting process. One will be for Contract Service organizations, the second a combined budget for Community Building and The Arts, and the third for Economic Stimulation. Funding requests for Community Building, The Arts and Economic Stimulation will be submitted by separate category and each evaluated on their individual merits. Funding will be allocated to requests based on their merit scores. No requests will be funded that have a merit score average of less than 2.5 (on a 5 point scale) even if funds remain.

1. Contract Services - This category is reserved for those organizations that provide basic or core public services in lieu of what the City would otherwise deliver via City staff and programs. A separate service contract will be negotiated with each organization. Organizations that have typically filled this role in the past include the Sedona Public Library, Sedona Chamber of Commerce, Sedona Recycles, Sedona Community Center, Sedona Main Street Program, Boys and Girls Club and Sedona Humane Society.
2. Community Building - This category is for events or activities that are primarily for Sedona residents and designed to foster a greater sense of community. While visitors or others outside the community may attend or participate, it is meant to enhance the quality of life in Sedona. Examples include, St. Patrick's Day Parade, Community Fair and Mitzvah Day.
3. The Arts - This includes a wide range of arts and cultural activities. Activities should be free or nominal cost programs including but not limited to summer youth art camps, school programs, public workshops and special public performances.
4. Economic Stimulation - This is for activities specifically intended to stimulate new business and the Sedona economy. Creation of new events, major additions to existing ones, additional types of destination marketing and new marketing activities for a specific event are possible examples. Requests should indicate how the applicant will measure and document the generation new revenues.

Evaluation Criteria

Funding Request Form

Scoring and Selection Process

A team composed of two representatives from grant-making organizations such as the Sedona Community Foundation or United Way, two representatives from the new Budget Advisory Committee and one representative from the Arts community will score all proposals and provide recommendations for funding to the City Council.

Reporting process and documentation