


FOR CITY COUNCIL MEETING OF: September 28, 2015  
AGENDA ITEM NO.: 3.3(a)

TO: MAYOR AND CITY COUNCIL  
THROUGH:  KACEY DUNCAN, INTERIM CITY MANAGER  
FROM: CULTURAL AND TOURISM PROMOTION ADVISORY BOARD  
SUBJECT: REQUEST FOR AN EXCEPTION TO THE NON-PROFIT  
REQUIREMENT IN COUNCIL POLICY NO. C-1 FOR GRANTS OF  
\$2,000 OR LESS

**ISSUE:**

Should City Council approve an exception to Council Policy No. C-1's non-profit status requirement for grants of \$2,000 or less?

**RECOMMENDATION:**

Approve an exception to Council Policy No. C-1's non-profit status requirement for grants of \$2,000 or less.

**SUMMARY AND BACKGROUND:**

The Cultural and Tourism Promotion Advisory Board (CTPAB) was established under Salem Revised Code Chapter 16 for the purpose of encouraging the development and promotion of Salem's cultural and historical tourism facilities, festivals and events.

Council Policy No. C-1 (Policy) provides additional guidance for the CTPAB in fulfilling its duties, and it authorizes the CTPAB to establish application forms, a schedule, and evaluation criteria by November 15 of each fiscal year for the allocation of Transient Occupancy Tax (TOT) funds. The Policy currently contains one minimum criteria that: "Applicants must be a non-profit corporation having tax exempt status under section 501(c)(3), 501(c)(4), or 501(c)(6) of the Internal Revenue Code at the time of application submission."

Over the last two years the CTPAB has discussed the need for reaching out to the diverse populations of our community in an effort to provide greater inclusion and a sense of community through culture. During these discussions questions have arisen on how best to facilitate inclusion and spur more cultural and community events. While the CTPAB does not have all the answers to the questions raised, there is consensus for creating additional opportunities for smaller groups and organizations to participate in TOT grant process.

In FY 2015-16, the City Council authorized the CTPAB to accept, review and recommend applications for small grants to non-501(c) organizations. There were a total of ten applications received under this exception, and seven of those applications were recommended for funding during the annual budget approval process.

**FACTS AND FINDINGS:**

The requested exception to the Policy would be effective for FY 2016-17 and would only apply to grants of \$2,000 or less. Organizations that are not currently listed as a non-profit organization with the IRS would be eligible to apply for these small grants. These organizations would be held to all the other standards and requirements currently outlined under the TOT Special Event/Project grant program.

Specific limitations for these new small grants include a maximum award of \$2,000 per application and a maximum of one grant award per organization per year with reimbursements only after successful completion of the event and submission of close-out reports and copies of invoices/event costs.

As City Council placed the non-profit status as a requirement for CTPAB funding consideration in the Policy, any exception to that requirement is up to the Council. If City Council approves this exception, then organizations, businesses, or formal groups may submit a small grant application to CTPAB for TOT funding consideration.

If the CTPAB deems this next round of applications successful, city staff would be asked to return to Council with a formal amendment to Council Policy No. C-1 to allow this type of application on an on-going basis.



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Chris Neider  
Management Analyst II  
CTPAB Staff Liaison

Attachments: None  
Ward: All  
September 16, 2015