

EDB Committee

From: Keani N. Rawlins
Sent: Thursday, June 04, 2020 11:39 AM
To: Mike J. Molina; EDB Committee
Subject: Small Grants Bill
Attachments: Small Grants Bill from EDB Chair Rawlins-Fernandez.pdf

ORDINANCE NO. _____

BILL NO. _____ (2020)

A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE,
RELATING TO THE MAUI COUNTY GRANTS PROGRAM

SECTION 1. The purpose of this ordinance is to minimize barriers for small organizations with limited resources and to maximize the efficient use of County funds for recipients of small grants. Many current and potential recipients of small grants are community- and volunteer-based organizations with limited resources.

SECTION 2. Section 3.36.150, Maui County Code, is amended to read as follows:

“3.36.150 Applicability. All grants of County funds and County real property are subject to this chapter except for those subject to chapter 3.50. Nothing in this chapter [~~shall restrict~~] restricts the council from appropriating grants for public purposes, except for noncompliance under section 3.36.130, [~~provided that~~] but sections 3.36.070 to 3.36.140 [~~shall~~] apply.”

SECTION 3. Chapter 3.36, Maui County Code, is amended by adding a new section to read as follows:

“3.36.190 Disbursement. Recipients of grants of County funds under this chapter are eligible for upfront disbursement of up to 25 percent of the total grant funds, and the remaining grant funds must be paid through the agency’s reimbursement process.”

SECTION 4. Title 3, Maui County Code, is amended by adding a new chapter to read as follows:

“Chapter 3.50

SMALL GRANTS

Sections:

- 3.50.010 Definitions.
- 3.50.020 Review.
- 3.50.030 Soliciting applications.
- 3.50.040 Qualifying standards for applicants.
- 3.50.050 Conditions for grants.
- 3.50.070 Applications.
- 3.50.100 Contracts.
- 3.50.110 Reports by recipients.
- 3.50.120 Monitoring and evaluation.
- 3.50.130 Noncompliance.
- 3.50.150 Applicability.
- 3.50.190 Disbursement.

3.50.010 Definitions. As used in this chapter, unless the context otherwise requires:

“Nepotism” means appointing persons to positions on a basis of their blood or marital relationship to the appointing authority, rather than on merit or ability.

“Recipient” means a qualified applicant that receives a small grant from the County in accordance with this chapter.

“Small grant” means an appropriation, allocation, or disbursement of County funds of \$50,000 or less to a recipient for a public purpose.

3.50.020 Applicability and review. An agency accepting applications for a small grant may adopt rules to further this chapter’s purpose, in accordance with chapter 91, Hawaii Revised Statutes, on the following:

- A. Conditions for small grants;
- B. Procedures and a timetable for the submission of applications;
- C. The analysis required of applications; and
- D. Procedures and standards for monitoring and evaluating grants.

3.50.030 Soliciting applications. When an appropriation is available for allocation, other than to a recipient identified in the annual budget ordinance, the agency must post on the County website the availability of the appropriation and solicit applications.

3.50.040 Qualifying standards for applicants. An applicant for a small grant must meet all of the following standards:

A. Be a profit organization incorporated under the laws of the State of Hawaii, or a nonprofit organization determined to be exempt from federal income tax by the Internal Revenue Service;

B. In the case of a nonprofit organization, have a governing board whose members have no material conflict of interest and serve without compensation;

C. Have bylaws or policies that describe the manner in which business is conducted. The bylaws or policies must include provisions relating to nepotism and management of potential conflict-of-interest situations; and

D. Be licensed and accredited in accordance with applicable requirements of federal, state, and County governments, as necessary.

3.50.050 Conditions for grants. An applicant for a small grant must agree to comply with the following conditions before receiving the small grant:

A. Allow the agency, the mayor, the standing committees of the council and their staffs, and the County auditor full access to records, reports, files, and other related documents so the recipient's program, management, and fiscal practices may be monitored and evaluated to ensure the proper and effective expenditure of public funds as necessary; and

B. Comply with other requirements as the agency or the council may prescribe to ensure adherence by the recipient with Federal, State, and County laws.

3.50.070. Applications. A. An applicant for County funds must complete an application, which must be reviewed and verified by agency personnel. Each application must include:

1. The public purposes to be served;
2. The objectives intended to be achieved;
3. The activities and services to be performed;
4. The target group to be affected; and
5. Measures by which the effectiveness of the small grant is to be evaluated.

B. An agency may regard an application submitted in accordance with chapter 3.36 as an application for a small grant, as circumstances warrant and with the applicant's concurrence.

3.50.100 Contracts. An appropriation for a small grant may not be expended unless a contract is entered into between the County and the recipient. Each contract must specify that the County may not be held liable for any claims or damages resulting from the acts of the recipient and require adequate insurance coverage naming the County as an additional insured.

3.50.110 Reports by recipients. A. All recipients of small grants must keep detailed, separate financial records relating to funds received from the County.

B. The County may request an audit of a recipient's financial records, except that any recipient with an annual budget of \$50,000 or less may opt to have its records audited by the department of finance.

C. Within 30 days after the end of the fiscal year, each recipient of a small grant must transmit to the agency a report containing the following information for the fiscal year:

1. Program status summary; and
2. Financial status report of the County funds used.

D. Reports by each recipient of a small grant must continue through the fiscal year in which the money to be received from the County is completely expended.

3.50.120 Monitoring and evaluation. The agency must monitor every small grant to ensure compliance with this chapter. Within eight weeks after the end of the fiscal year, the agency must transmit to the mayor and council an evaluation of every small grant that was appropriated during the fiscal year. The report must contain a summary of whether each small grant attained the intended results in the manner contemplated.

3.50.130 Noncompliance. Any recipient that withholds or omits any material facts, or deliberately misrepresents material facts to the council, the mayor, or any agency, is in violation of this chapter. If the agency finds that a recipient has violated this chapter or the terms of its contract, the agency must inform the mayor, who then must inform the council in writing; the council may then, by resolution, prohibit the recipient from applying for any County grant for five years, require the return of all funds granted to the recipient, and subject the recipient to debarment proceedings.

3.50.150 Applicability. All small grants are subject to this chapter. Nothing in this chapter restricts the council from appropriating grants for public purposes, except for noncompliance under section 3.50.130, but sections 3.50.060 to 3.50.120 apply.

3.36.190 Disbursement. Recipients of small grants are eligible for upfront disbursement of up to 100 percent of grant funds, and any remaining grant funds must be paid through the agency's reimbursement process."

SECTION 5. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 6. This ordinance takes effect on July 1, 2020.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui

paf:lma:20-144b