

San Francisco Arts Commission

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City and County of San Francisco

## OFFSET POLICY FOR ARTS COMMISSION GRANT AGREEMENTS

The following policy was adopted by the San Francisco Arts Commission (SFAC) by Resolution No. [INSERT RESOLUTION NO] on [INSERT DATE]. This policy applies to late submissions under SFAC grant agreements. The purposes of this policy are 1) to provide Grantees with the SFAC's procedures for handling events of default concerning late submissions -under a grant agreement; and 2) to reduce the number of events of default.

### A. Grant Agreement Requirements:

1. Grantees are required to comply with all submission requirements in a prompt and timely manner including invoices, reports, images, and financial documentation as required by SFAC and as identified in a Grantee's executed grant agreement according to the timelines set forth in such agreement.
2. Grantees who fail to adhere to the timelines for a period of ten (10) days after the submission due date are in default under the grant agreement.
3. If a Grantee is in default, the grant agreement provides that SFAC may:
  - a. terminate the grant agreement;
  - b. withhold grant funds not yet disbursed;
  - c. offset against all or any portion of undisbursed grant funds; and
  - d. demand the immediate return of any grant funds.

**B. Late Submission:** Late submission is defined as the submission of all required documents at any time beyond 5 p.m. of the due date. If the required submission (due) date is not on a regular business day (i.e., Saturday or Sunday) or falls on a County-established/recognized holiday, then a submission is deemed late if not received by 12:00 PM Monday, or subsequent workday (following a holiday).

**C. Complete Submissions:** A submission requirement is defined to be satisfactorily met when all required documents are received by SFAC, in full and with all required supporting documentation.

D. **Offset Schedule:** For each instance in which a grantee fails to comply with submission requirement due dates SFAC will offset undisbursed grant funds as follow:

- a. \$50/day: For each business day a submission is late during the first calendar week beyond the submission requirements deadline.
- b. \$100/day: For each business day a submission is late during the second calendar week beyond the submission requirements deadline.
- c. \$250/day: For each business day a submission is late during the third calendar week beyond the submission requirements deadline.

If a Grantee fails to meet submission requirements within three (3) calendar weeks beyond the submission deadline, the program director shall place the grantee in default, and may institute additional remedies under the grant agreement, up to and including immediate return of grant funds and/or contract termination as provided by the grant agreement.

E. Offsets will be applied to a Grantee's indirect expenses line item. If no such line item exists for a particular grantee, the offset will be applied to a line item at the discretion of the senior program officer.

*Grant Agreement ARTICLE 11.2 Remedies Upon Event of Default*

F. **Opportunities to Cure an Event of Default:**

1. **Extension Requests:** If a Grantee anticipates being unable to meet submission requirements, SFAC will provide Grantee with a cure period subject to the following conditions:
  - a. Grantee must submit a written extension request to SFAC no later than 15 days before the submission requirement due date (Extension Request).
  - b. Extension Requests must specifically reference:
    - i. the required document(s) for which an extension is requested;
    - ii. the proposed date by which SFAC will receive the document(s); and
    - iii. the rationale for the Extension Request.

- c. Submission of an Extension Request does not constitute approval of the request. The program officer will receive and act on submitted requests.
- d. SFAC will notify the Grantee of the outcome of Grantee's submitted request within two (2) business days of receipt.
- e. Allowable length of extension, if approved: Extension Requests shall be for no more than 30 calendar days beyond the regularly scheduled due date. No additional extensions beyond the initial approved extension will be granted for a specific submission requirement.

**G. Grantee Appeal Process:**

1. **Appeals:** If a Grantee does not agree with an imposed offset, an appeal may be submitted to the Arts Commission per the SFAC appeals policy. However, appeals will only be considered for an instance in which a Grantee claims the imposition of an offset was not done in accordance with the grant agreement and this Policy.
  - a. Mere disagreement with an imposed offset does not constitute grounds for an appeal.
  - b. An imposed offset may not be appealed in cases in which a late submission has occurred and a Grantee failed to submit an Extension Request.