



# Working with the City as a Nonprofit

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CITY CONTRACTING 101: A SMALL BUSINESS WORKSHOP

April 23, 2025

# Session Objectives

- Understand the difference between a contract and a grant.
- Know some of the compliance requirements for nonprofits and where to gain more information.
- Have an idea of some City departments that may have funding opportunities in your field.

# Agenda

- Nonprofit “Contractor” vs. Grants
- General Nonprofit Compliance
- City Requirements with Nonprofit Exceptions
- Local Requirements for Nonprofits
- How to learn about City Opportunities

# Nonprofit “Contractor” vs. Grants

Type	Grant Provides a public purpose	Contract Provides a service or commodity to the City
Individual	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nonprofit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# General Nonprofit Compliance



Be “Current” on the State Attorney General’s [Registry of Charities and Fundraisers](#)



Be “Active” with the [Secretary of State](#)



Be “Exempt” with the [State Franchise Tax Board](#)

# City Requirements (with Nonprofit Exceptions)

## Minimum Compensation Ordinance

Requires covered employers to provide to their covered employees:

1. No less than the MCO hourly wage in effect;
2. 12 days off per year (or cash equivalent);
3. 10 days off without pay per year

### MCO Rate as of **January 1, 2025**

- \$20.96/hour for for-profit
- \$20.25/hour for nonprofit

### MCO Rate as of **July 1, 2025**

- \$21.54/hour for for-profit
- \$21.55/hour for nonprofit

[Link to MCO website](#)

## Health Care Security Ordinance

Employers with 20 or more workers must spend a minimum amount on health care for employees who work 8 or more hours per week.

For **nonprofits it's 50** or more workers.

Employer Size	Number of Workers	2024 Expenditure Rate	2025 Expenditure Rate
Large	All Employers with 100+ workers	\$3.51 per hour payable	\$3.85 per hour payable
Medium	Businesses w/ 20-99 workers Nonprofits w/ 50-99 workers	\$2.34 per hour payable	\$2.56 per hour payable
Small	Businesses w/ 0-19 workers Nonprofits w/ 0-49 workers	Exempt	Exempt

[Link to HCSO website](#)

# City Requirements

## First Source Hiring

If your award is above \$50k, you will need to comply when you are hiring for entry-level positions.

1. Contact the Office of Economic & Workforce Development's Employer Services team to discuss your hiring needs.
2. Register via an online link
3. Recruit for open positions

[Link to First Source website](#)

# Local Requirements for Nonprofits (1 of 2)

## Public Access Ordinance

Requires **orgs receiving \$250k+** City funds per year to:

1. Hold at least 2 open board meetings per year
2. Provide access to financial records (most recent budget, tax return, financial audits or performance evaluations)
3. Make a good faith effort to include on its Board at least one member of the community served by the nonprofit

[Link to Admin Code 12L](#)

## Annual Economic Statement

Orgs **receiving \$100k+** in City funds during the fiscal year, you must make info publicly available:

- Name of CEO
- Names of officers and directors
- Total budget and expenditures
- IRS letter with nonprofit status
- Most recent 990 filing
- Verification of State of California Registry of Charities and Fundraisers
- Audited financial statements

[Link to annual economic statement](#)

## CPA Audit

Required if org **receives \$1M+** in City funds and the **City covers the audit** (otherwise non-audited financial statements required).

OR

Required if the org's budget is \$2M+ /year

[Link to Policy on Financial Audit Requirements](#)

# Local Requirements for Nonprofits (2 of 2)

## Insurance

\$1M of coverage for:

- General liability
- Commercial auto
- Workers comp

Possibly:

- Professional liability
- Technology errors and omission
- Cyber and privacy

## Contract Monitoring

For **contracts of \$200k** or more:

- Performance measures
- Annual reporting
- Site visit
- Quarterly engagement with dept staff

[Link to contract monitoring](#)

## Fiscal Monitoring

Required if total City funding is **\$200k or more** through funding from 2+ departments

- Agency-wide budget
- Cost allocation procedures
- Payroll taxes
- 990
- Audited financial statement
- Financial reports
- Detailed invoice review
- Board oversight

[Fiscal Monitoring Guidelines](#)

# Sample Projects



Public Art



Greening



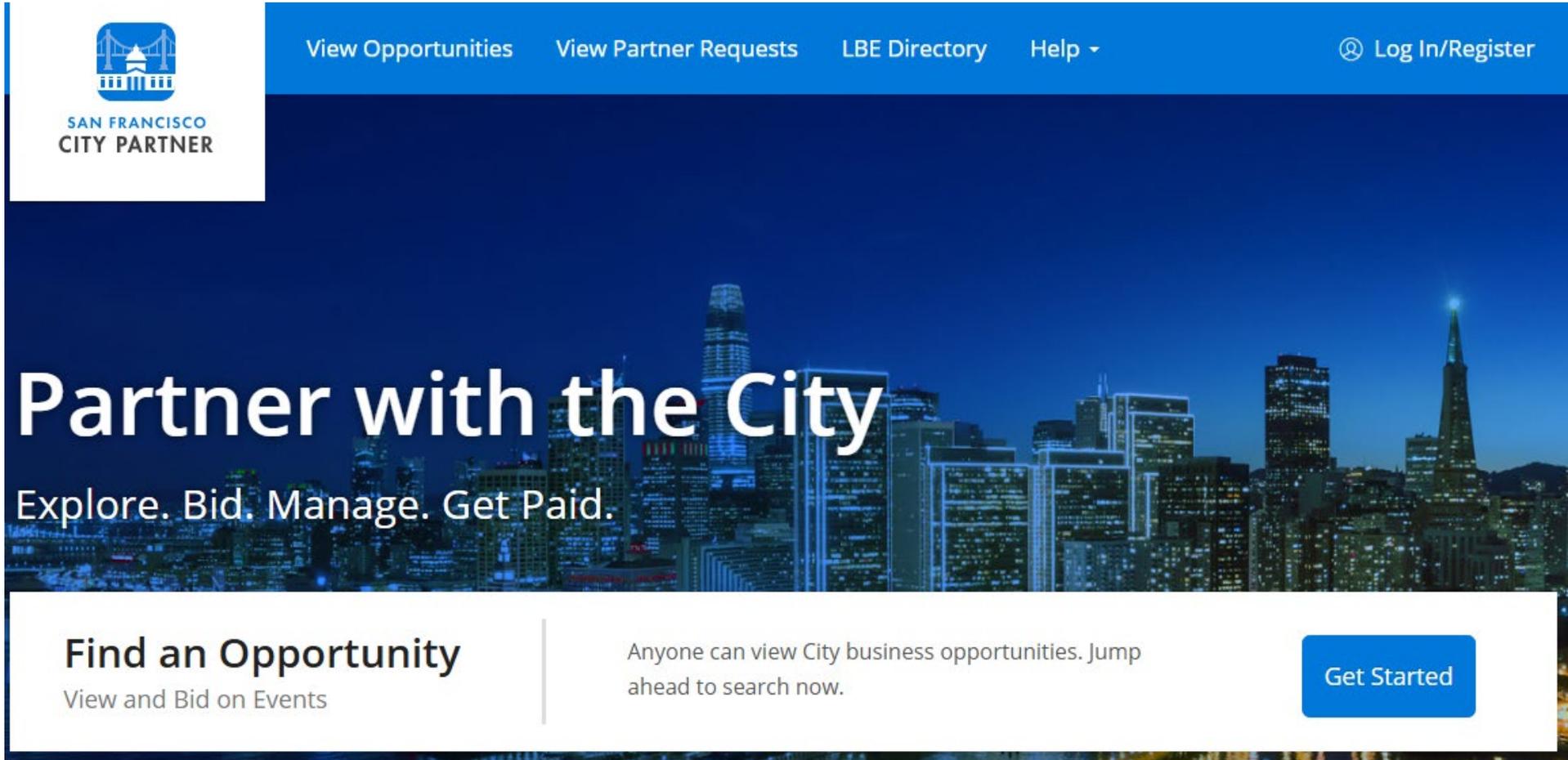
Shared Spaces



Lighting

# How to Learn about City Opportunities

[SFCity Partner website](#)



The screenshot shows the homepage of the San Francisco City Partner website. The top navigation bar is blue and contains the following links: "View Opportunities", "View Partner Requests", "LBE Directory", "Help", and "Log In/Register". The main header area features the San Francisco City Partner logo on the left and a large, dark blue background image of the San Francisco skyline at night. The main heading "Partner with the City" is prominently displayed in white, with the tagline "Explore. Bid. Manage. Get Paid." below it. At the bottom, there is a white section with the heading "Find an Opportunity" and the subtext "View and Bid on Events". To the right of this section, there is a blue button labeled "Get Started" and a line of text: "Anyone can view City business opportunities. Jump ahead to search now."

**SAN FRANCISCO CITY PARTNER**

View Opportunities View Partner Requests LBE Directory Help Log In/Register

## Partner with the City

Explore. Bid. Manage. Get Paid.

**Find an Opportunity**  
View and Bid on Events

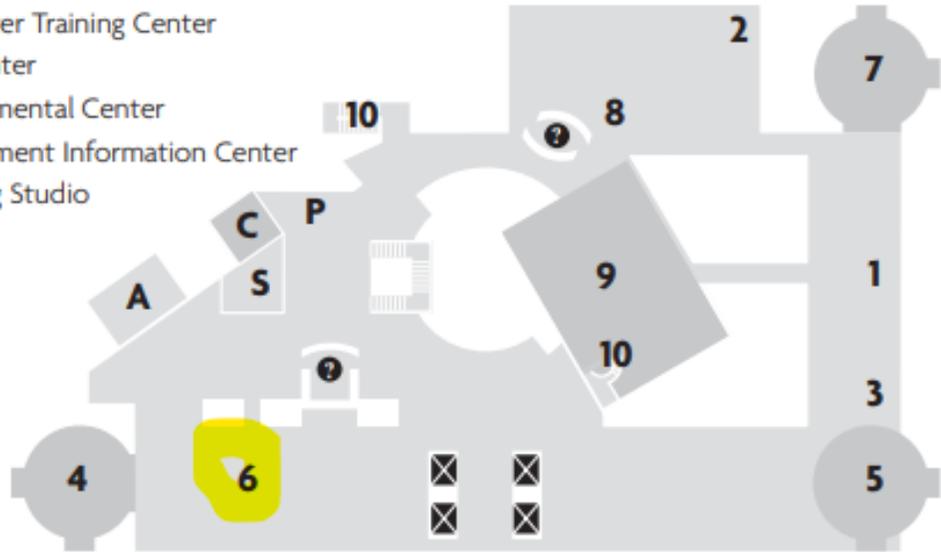
Anyone can view City business opportunities. Jump ahead to search now.

**Get Started**

# How to Learn about City Opportunities (1 of 2)

## FLOOR 5

- 1 The Bridge at Main  
Learning Differences  
Project Read  
Veterans Resources
- 2 The Bridge at Main Collections
- 3 Computer Training Center
- 4 Digi Center
- 5 Environmental Center
- 6 Government Information Center
- 7 Learning Studio
- 8 Magazines and Newspapers Center
- 9 Periodicals Reading Room
- 10 Stairs to Floor 6



San Francisco Public Library  
Main Library: 100 Larkin Street

# How to Learn about City Opportunities (2 of 2)

- Adult Probation Department
- Arts Commission
- Department of Early Childhood
- Department of Children, Youth & Their Families
- Department of Homelessness and Supportive Housing
- Department of Public Health
- Department on the Status of Women
- Human Services Agency
- Mayor's Office of Housing and Community Development
- Office of Economic and Workforce Development
- San Francisco Public Works
- Sheriff
- Community Challenge Grants
- Office of Civic Engagement and Immigrant Affairs
- Grants for the Arts

# Key Takeaways

- There are **many opportunities** for nonprofits to receive City funds.
- You don't have to be a nonprofit to apply for a grant. **Check the eligibility** in the RFP.
- San Franciscans value a **livable wage, health care, accountability,** and **transparency**, which are codified into laws or requirements.
- **Compliance may require expenses** you should be fully aware of when you develop the budget for your proposals.



**THANK YOU!**

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