



San Francisco Arts Commission - Community Investments

New Payment Policy FAQ

New Policy

- Effective June 2, 2025.
- The San Francisco Arts Commission (SFAC) is implementing a new policy about how we pay SFAC Grantees to comply with the City Controller's Accounting Policies & Procedures.

New Advance Payment Policy

- The new policy will allow SFAC to make a payment of up to 50% of the grant total as an advance payment (first payment).
- You can itemize the amounts of costs associated with your project or grant to determine an advance payment amount of up to 50% of the total grant amount
 - For example, if your grant is \$30,000, you can request up to \$15,000 in advance of performing any of the grant deliverables.
- Grantees are required to submit an advance payment request letter.
 - SFAC staff will provide the [advance payment request letter template](#) and guidance on how to fill it out.

Who does this effect?

- The new advance and reimbursement policy will apply to all grants made for FY26, for all grants with a July 1, 2025 or later start date.

- SFAC grantees with existing active grants will continue to be paid as outlined in the grant agreement in the appendix section titled “Disbursement Schedule.”

Who Approves My Request?

- Once you submit the request for an advance payment, it will be reviewed by SFAC staff.
- Upon approval of your request by SFAC staff, your Program Officer will notify you.
- If SFAC staff denies your request, your Program Officer will notify you and assist you with any updates needed to your request, so that you can resubmit your request.

New Quarterly Requests for Reimbursement Policy

- After your advance (aka first) payment you will follow a reimbursement schedule.
- Your grant agreement will include a schedule to request reimbursements, which will be quarterly.
- All reimbursement requests will require interim quarterly reports that will include:
 - Narrative update on the grant deliverables;
 - Expense report of all funds expended to date;
 - Proof of current insurance
- Quarterly reporting is required regardless of a request for reimbursement.

How the Advance Payments and Reimbursements work

- The City Controller’s office uses a term called “Advance Repayment.”
 - This does not mean that you owe any payment to the City.
- What this means is that if you receive an “advance payment,” the amount of the advance (first) payment will be deducted from subsequent requests for reimbursement until it zeros out.
- For example, if your grant is \$30,000 and your advance (first) payment was \$15,000, your next reimbursement request should be over \$15,000 in order to receive a second payment.

- For example, if your first reimbursement request is for a total of \$20,000, you will receive a reimbursement of \$5,000.
- The reason you would only receive a total of \$5,000 is because the City is accounting for the first advance payment of \$15,000
- The use of advanced funds should be included with the initial request for reimbursement and report and subsequent requests for reimbursements and reports until the advanced amount has been fully accounted for.

Payment Timeline & Process

- The first step to receiving a grant payment is to complete the advance request letter.
- Your SFAC Program Officer will guide you through this process and let you know about the review and approval process.
- The next step is to complete the following steps in consultation with your Program Officer:
 1. Revise grant plan (if needed)
 2. Revise budget (if needed)
 3. Provide insurance (required for all organizations and may be required for artists)
 4. Complete City Supplier Account registration (if needed) This account is required in order to make a payment to you.
- The Fiscal Year 25-26 grant terms begin on July 1, 2025.
- After your grant is signed and complete and after July 1, 2025, SFAC staff can request what is called the purchase order number.
- Once SFAC staff has the purchase order number (which can take up to 10-30 business days) and the approved request for advance payment, SFAC staff will send you an invoice for the amount that you requested.
- Once that invoice is signed, SFAC staff will make the payment within 2* business days.
 - *(*Every effort will be made to meet this estimated payment timeline, but delays may be possible.)*

Policy Background

- SFAC is establishing this policy to adhere to the City and County of San Francisco's (City's) guidelines related to advance payment issued to grantees in alignment with the Office of Controller Accounting Policies & Procedures, Section 4.4.4.1 Advance Payment to Grant Sub-Recipients.

- For more information about the Controller's Office:
<https://www.sf.gov/controllers-office-programs-policies-and-information-nonprofit-contracting>

Questions

- Please contact your Program Officer with questions.
- If you need assistance reaching your Program Officer, please contact sfac.grants@sfgov.org