



# Citywide Nonprofit Corrective Action Policy


This policy outlines how the City should respond when nonprofits do not meet contract expectations or the City’s financial management standards.


## What you should know about the policy


San Francisco relies on its nonprofit partners to deliver over \$1.5 billion in services to San Francisco residents each year. **Most nonprofits deliver high-quality services. In cases where nonprofits do not meet performance goals or financial standards, the City will follow this process:**


- 

**1 Oversight and Monitoring:** City departments regularly monitor nonprofit performance. If there are financial concerns and/or patterns of poor performance, departments should notify the nonprofit and work with them to resolve most issues.
- 

**2 Escalation:** Departments send serious or severe issues to the Controller’s Office when they can’t be solved internally or meet outlined criteria for escalation.
- 

**3 Coordination:** The Controller’s Office convenes departments in a comprehensive review of the nonprofit’s performance including any supports departments provided.
- 

**4 Designation:** The Controller’s Office may designate a nonprofit to one of three corrective action tiers if issues meet criteria.
- 

**5 Corrective Action Plan Implementation:** The City and nonprofits collaboratively develop a plan to address concerns, including technical assistance needed to help the nonprofit complete required improvements. The nonprofit implements the plan with periodic review by the City.
- 

**6 De-designation:** Once a nonprofit has completed the corrective action plan to resolve findings, the Controller’s Office de-designates the nonprofit from corrective action. If issues worsen, the Controller’s Office may heighten the designation.

### This policy applies to:

- ✓ All contracts with nonprofits to deliver services to the public

### Implementation

- This policy takes effect December 9, 2024 and fully supersedes the 2014 version
- Portions of this policy may be used in corrective action for issues identified prior to December 9, 2024 where relevant and where the policy mitigates corrective action requirements

### How to learn more:

- The Controller’s Office coordinates implementation of the policy through the [Citywide Nonprofit Monitoring and Capacity Building Program](#)
- View the [full policy here](#)
- To learn more, please go to our [Nonprofit Home Page](#)

### Contact Us:

Questions? Email us at: [nonprofit.monitoring@sfgov.org](mailto:nonprofit.monitoring@sfgov.org)

## Corrective Action Tiers Overview

<b>Tier 1</b>	1. Proactively addresses <b>low-level financial issues</b> 2. Addresses <b>serious issues</b> with more time and support for new and emerging nonprofits
<b>Tier 2</b>	Addresses <b>serious</b> financial and programmatic issues
<b>Tier 3</b>	Addresses <b>severe</b> financial and programmatic issues

