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January 14, 2019

Honorable Zeke Cohen  
Baltimore City Council  
Room 513, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

Dear Councilman Cohen:

This letter is in response to your correspondence of January 9, 2020 regarding the Baltimore Children Youth Fund (BCYF). The letter provides some general background and responds to your specific questions:

1. When will the remaining Year One funding be fully disbursed? Will you commit to continuing to work with those organizations that have not received their full grant award based on the change in reporting requirements by ABC? Can all organizations (including those that have fiscal sponsors), still receive additional support from ABC and its consultants?
2. When will Year Two funding become available? When can organizations that are in good standing expect to receive the funds? How can we avoid any further delays so that organizations can meet their payroll obligations?
3. When will you be able to fully transition funding from ABC into the permanent intermediary?

First, I want to thank the Mayor and the Baltimore City Council for their leadership in moving forward this innovative, first-of-its-kind participatory grantmaking and capacity-building strategy to direct resources to community-based organizations, and start-up organizations serving children and youth in Baltimore City. As you know, a goal of this innovation was to address the impacts of structural racism embedded in the systems and culture of Baltimore City, which would ensure that more community organizations have access to vital resources for the first time.

ABC was selected by the Youth Fund Advisory Committee and approved by the Baltimore City Council to take on the risks, challenges and opportunities associated with this innovation. We were selected based upon our understanding of racial equity and how structural racism negatively impacts communities of color economically. It is important to stress that the vision outlined by the Advisory Committee and endorsed by the Council came with no details on how to do it and what to do when challenges arose.

The Memorandum of Understanding (MOU) with the City of Baltimore requires ABC to do more than just disburse the grant funds. As you know, it also requires that we complete the tasks listed below – but it provides no definition of how we will be judged as to the success or failure of the total innovation proposed. The MOU required ABC to:

1. Give priority in the first fiscal year to the development of a grant process and the distribution of grant funds.
2. Assemble an advisory committee to recommend the funding priorities for the grant process in fiscal year 2018.
3. Create a grant process (e.g. request for proposals) to identify grantees to be funded by the Fund based on the priority program areas. And per the Youth Fund Task Force, ABC as the intermediary would not be involved in the grant selection process.
4. Convene a panel to review grant applications, as required to fulfill the values established by the Task Force.
5. Provide staff support to the decision-making process.
6. Issue award letters to successful grantees.
7. Negotiate grant agreements with grantees.
8. Allocate funds to grantees.
9. Receive quarterly fiscal and program reports from all grantees.
10. Conduct, at a minimum, one site visit at each grantee and participate when appropriate in programmatic and training sessions.
11. Establish a permanent intermediary.
12. Support capacity-building efforts to strengthen community-based and nonprofit organizations' capacity to administer and manage programs and grants.
13. Support capacity-building effort to strengthen the ability of grantees to successfully and sustainably offer services to Baltimore's youth.
14. Enforce the terms of the grant agreements including evaluating compliance with the grant agreements and determining the continuation or termination of funding for each grantee.
15. Follow work plan requirements acceptable to the parties and ABC subcontractors.

The MOU was signed January 31, 2018 for a two-year term.

ABC has completed the tasks identified in this MOU. We are deeply proud that our work allowed 83 grantees to provide vital, lifechanging services to children and youth in their first year as grantees; these services ranged from football camps to after-school and summer programming. (The first year for grantees, following the planning and start-up phases, ran from August 2018 to October/November 2019.)

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I must stress how unprecedented the Youth Fund is both locally and nationally. The City essentially created a new grantmaking entity with a major portfolio. Unlike other grantmaking organizations, the Youth Fund practiced a true community-driven model with Baltimoreans from across the city involved in both establishing the Fund's guiding principles and making the first-year grant decisions.

In developing such an innovative enterprise, we, of course, ran into and dealt with many unanticipated challenges that one would expect in any new business model. Many grantees, for example, struggled with compliance issues such as obtaining criminal background checks for staff, securing liability insurance, and finalizing fiscal sponsor agreements, which slowed our ability to disburse some funds. ABC has worked tirelessly to address these challenges and live up to the guiding principles of the Youth Fund. Our team of staff and contractors logged more than 5,800 hours of technical assistance, working in hand with organizations to ensure they obtained grants, managed them well and provided high-caliber services to our young people.

However, as an African American-led organization in Baltimore, we know we will be judged on our success through a lens of structural racism, leaving us little room to highlight and learn from the many lessons identified through this innovative. Per the requirements of the MOU, we provided City Government, the Mayor and City Council President's Office with monthly reports about the Youth Fund. We have used those reports to City Hall to also highlight some of the challenges, and over the months we identified the challenges that grantees were experiencing in managing the financial reporting. From the beginning, we provided training for the grantees and we continued throughout the grant cycle to identify strategies to support the grantees in learning and understanding the financial reporting requirements.

We also know that there is a need to identify resources to help grantees build their infrastructure; this includes resources to determine the most appropriate technology for case management, software for fiscal accountability and their management support.

We welcome the discussions with the entire City Council and hope that is done in the spirit of moving this very important effort forward in informing the general public, and not aimed to fuel the "gotta" culture that has tried to engross the Youth Fund. We hope the Council will protect this work, not offer it up to be torn down but help all of us learn from the "pilot year."

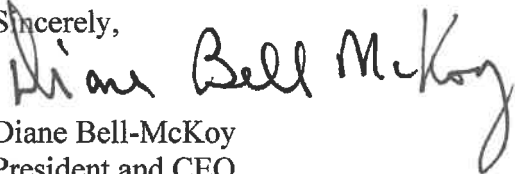
It is important to note that there were no pre-established benchmarks for any program audit using a racial equity framework. As it relates to the fiscal standards, we have applied standard audit expectation of documentation of expenses – such as receipts – and an assurance that the math adds up in the documentation. In situations where this has not been clear, we have erred on the side of seeking additional documentation including canceled checks, understanding that African American organizations will always be under more "extensive scrutiny": public dollars, pilot year and inherent issues built into the political process.

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We absolutely agree with you about the urgency of disbursing funds to serve children and youth. However, we simply cannot bypass the standards of accountability to achieve that goal.

Attached are the detailed responses to each of your three questions.

Sincerely,

A handwritten signature in black ink that reads "Diane Bell McKoy". The signature is written in a cursive style with a large, looping "M" at the end.

Diane Bell-McKoy  
President and CEO

DBM:ct  
Attachment