

## Chatham County Nonprofit Agency Funding Policy

### Purpose

The purpose of this policy is to establish guidelines for the funding of nonprofit agencies by the county and to ensure transparency, accountability, consistency, and adherence to best practices. This policy is subject to allocation of funds by the Board of Commissioners for the purpose of providing grants to nonprofit agencies.

### Policy Statement

The focus of this policy is on meeting the needs of county residents by providing funding to eligible schools (recreation grants only) and nonprofit agencies to support the delivery of needed services or programs that the county is not able to or does not provide or that the agency can deliver more effectively or efficiently.

This funding is intended to support the delivery of services and program, although some recreation facility improvement projects may be eligible if the agency provides matching funds, the project is complete at the end of the grant, and the project provides a facility that is open to the public on a non-discriminatory basis and supports the goals and objectives of Chatham County Parks and Recreation.

Agencies that apply for parks and recreation grants are not eligible to apply for human services funds for the same program or service and vice versa. Nonprofit agencies that are funded as part of the county operating budget are not eligible to apply for funds via this policy.

Any expenditure of these funds must satisfy the North Carolina Constitution's public purpose requirement, which requires that public funds be expended for the benefit of all citizens. See N.C. Constitution Article V, Section 2(1). Funds must also be spent on projects, programs, or services that could have been provided by Chatham County directly according to statutory authority in N.C.G.S. §153A-449.

### Eligibility for County Funds

The county does not fund start-up agencies. All agencies that apply for funding must have been in operation for at least three (3) years prior to being considered for a grant award.

To be eligible to be considered for funding, agencies must provide the following:

- ~~NC Articles of incorporation filed with the NC Secretary of State~~
- Either a current solicitation license from the North Carolina Secretary of State or a current exemption.
- Human service agencies that submit proposal applications must have 501c3 status and must provide a copy of the letter from the IRS that confirms this status.
  - These agencies must also submit the most recently filed IRS Form 990 or the 990 EZ.
- Recreation agencies are not required to have 501c3 status. If a recreation agency does have 501c3 status, then they must provide a copy of the letter from the IRS confirming this status.
  - Otherwise, recreation agencies that are recognized as nonprofit organizations in the State of North Carolina but who do not have 501c3 status must provide an employer identification number (EIN) issued by the IRS.
- An annual budget
- By-laws
- A board roster
- ~~Signed Chatham County Disclosure of Potential Conflicts Of Interest and Non-Discrimination Clause Agency statement of non-discrimination. (The agency must confirm that it does not~~

~~discriminate in employment or opportunity based on race, color, religion, creed, national origin, ancestry, disability, gender, sexual orientation, or age.) Agencies must provide a full explanation of any identified Conflicts of Interests on the form.~~

- ~~• Agency conflict of interest policy or document stating that the agency does not use county funds to pay board members for participation on the board or hire board members to do any other work.~~
- Annual audit or financial review. For agencies with an annual income of less than \$1050,000, or for agencies with no paid full-time employees, an audit is not required and county or United Way staff will provide the financial review.
- ~~• Financial reserves policy (Agencies that earn less than \$50,000 annually are not required to have a reserves policy)~~

All agencies must adhere to the accountability standards set by the Board of Commissioners, including complying with all financial and performance measurement requirements and terms of contracts and memorandums of understanding, including meeting all deadlines.

### **Priorities for funding**

The county Human Services Collaborative Impact Team (CIT) will recommend services needed based on their strategies to address Board of Commissioner goals and the top needs identified in the Chatham Health Alliance Community Assessment.

Funding priorities for recreation programs will be recommended by the Chatham County Parks and Recreation Department and the Recreation Advisory Committee. Recreational needs may be based on the most recent United Way Community Needs Assessment, the most recent Chatham County Public Health Department Community Health Assessment and the Chatham County Parks and Recreation Department goals and objectives.

All funding priorities must be approved by the Board of Commissioners.

### **Funding Application Process**

The county will announce availability of funds for a Request for Proposals (RFP) for services on the county website by January 31. Applications, evaluation criteria, and timelines will be made available at that time.

To accommodate the sport-driven schedules of recreation agencies the county will announce availability of funding on the county website by June 30 for the coming fiscal year. Applications for funding, evaluation criteria, and timelines will be made available at that time.

- **Certification**

County and United Way staff review all applications and agency information to ensure compliance with the certification requirements. Staff assesses the agency's financial status and completes a certification checklist. Agencies that do not have all the necessary requirements will be notified that the application is not complete and may be given an opportunity to complete the certification requirements. If an award is made, no funding will be released to an agency until all certification requirements are complete to the county's satisfaction.

- **Nonprofit Advisory Board**

The County Manager appointed a 5-person advisory board in August, 2018. Members of the advisory board are Chatham County residents with expertise in the nonprofit sector. The advisory board will work with nonprofit agencies to ensure they have the competencies needed to work collaboratively and will serve as a liaison between the Human Services CIT and county nonprofit agencies.

- **Parks and Recreation Advisory Committee**

The Chatham County Parks and Recreation Advisory Committee, or a sub-committee of that committee, and the Parks and Recreation Department will review applications from recreation agencies. Members of the Parks and Recreation Advisory Committee who are affiliated with an agency applying for funds may not participate in the review and recommendation process. They should identify their affiliation and be excused from the meeting when the grant application is discussed and recommendations decided.

- **Application Evaluation and Recommendations**

The Human Services CIT will read and review applications, score applications according to scoring criteria approved by the Board of Commissioners, and make funding recommendations that are presented to the County Manager and the Board of Commissioners. While the County Manager takes into account the recommendation of the Human Services CIT, the County Manager is not bound by their recommendations and may make a different recommendation to the Board of Commissioners.

- **Commissioner Approval**

The Board of Commissioners reviews human services funding recommendations as part of the annual budget process and approves final grant awards. These amounts may differ from the recommended funding.

The Board of Commissioners reviews recreation funding recommendations during the fiscal year that the awards are recommended and approves final grant awards. These amounts may differ from the recommended funding.

- **Funding Notification**

Human service agencies will be notified of RFP awards by the first week of July. All funded agencies are required to sign an agency agreement prior to receiving funding. Agreements will be signed according to county policy. Funding will not be released until the signed agreements are executed by both parties.

Recreation agencies will be notified of grant awards following approval by the Board of Commissioners. All funded agencies are required to sign an agency agreement prior to receiving funding. Agreements will be signed according to county policy. Funding will not be released until the signed agreements are executed by both parties.

### **Grant Reporting and Monitoring**

All agencies are required to submit a mid-year report by January 15 and a year-end report by July 15. Reports will address the anticipated measurable outcomes and the progress of each funded program.