

Interim Chatham County Nonprofit Agency Funding Policy for FY 2018

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 in the competitive grant process. This policy is subject to allocation of funds by the Board of Commissioners for the purpose of providing grants to nonprofit agencies.

Policy Statement

Chatham County's nonprofit grant process is focused 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 program expenses, 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 grants and vice versa. Nonprofit agencies that are funded as part of the county operating budget are not eligible to apply for grant funds.

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). Grant awards 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.
- Agencies that apply for human services grants 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 and the most recent IRS Form 990 or the 990 EZ. 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
- Bylaws
- A current board roster
- 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.)

- Agency conflict of interest policy or document stating that the agency will not use county funds to pay board members for participation on the board or to hire board members to do any other work.
- An annual audit is required for agencies with an annual income of \$300,000 or more. A financial review is required for agencies with an annual income of between \$50,000 and \$299,999. For agencies with an annual income of less than \$50,000, or for agencies with no employees, an audit is not required and county or United Way staff will provide the financial review.
- Organizational chart of the agency (only applies to agencies with employees).
- 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. Funds will not be released until all financial and performance measurement requirements, terms of contracts and memorandums of understanding, and all deadlines are met.

Priorities for funding

The county will recommend priorities for human services funding based on rankings from a committee composed of county staff, residents, and representatives from Chatham County Schools, Central Carolina Community College, the local mental health entity, the Economic Development Corporation, and United Way. The committee may use the most recent United Way Community Needs Assessment and the most recent Chatham County Public Health Community Health Assessment, in addition to other assessments that may be available, to identify and prioritize needs.

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.

The Board of Commissioners has identified the importance of funding programs that promote arts and culture. These funds will be administered through the Economic Development Corporation and the amount set aside will be determined annually by the Board.

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

Funding Application Process

The county will announce availability of funds and funding prioritization for human service agencies on the county website by January 31. Applications for funding, 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.

- **Volunteer Qualifications and Appointment**

When the human service grant funding is announced the county will recruit and appoint residents willing to serve as application reviewers in the grant process. Volunteers must be residents of Chatham County. Employees of nonprofit agencies that apply for county funds are not eligible to serve. Board members and volunteers of nonprofit agencies that apply for county funds may serve on a panel that does not review the application from their nonprofit agency or any similar agency. Volunteers will be assigned to a panel by county staff. One person will serve as the panel chair. Panel chairs may not have any volunteer, board, or staff affiliations with any of the applying nonprofit agencies. Grant applications from human service agencies are reviewed by the volunteer panels and by relevant department heads.

The Chatham County Parks and Recreation Advisory Committee, or a subcommittee 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**

Volunteers read and review applications, may visit the agencies (although this is not required) and listen to presentations by the agencies and score applications according to scoring criteria approved by the Board of Commissioners. Department heads or their designees rate the applications independently of volunteers, and their ratings become part of the final score. The scoring information from the volunteers and department heads will be presented to the County Manager with recommended funding for nonprofit applicants. While the County Manager takes into account the recommendation of the volunteers, 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 grant 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.