

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.

Policy Statement

The focus of this policy is on meeting the needs of county residents by providing funding to nonprofit agencies and eligible schools (recreation grants only) 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, efficiently or equitably.

This funding is intended to support the delivery of services and program, although some facility improvement projects may be eligible if the agency provides matching funds (including in-kind donations calculated as dollar amounts), 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.

Funding Eligibility

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.

Agencies may not apply for funding for the same program from different county sources. Nonprofit agencies that are funded as part of the county operating budget may not apply for annual competitive funding awards 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 Chatham County has the authority to directly provide according to statutory authority in N.C.G.S. §153A-449.

Certification Requirements for County Funds

Any agency requesting funds from the County must complete a certification process to be assess the agencies eligibility to receive County funds. To be eligible to be considered for funding, agencies must provide the following:

- Either a current solicitation license from the North Carolina Secretary of State or a current exemption.
- Nonprofit agencies that submit proposal applications must have 501c3 status and first-time applicants are required to 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.
 - Small agencies, defined as agencies with budgets under \$100,000 and with no paid staff, are not required to have 501c3 status. If a small agency does have 501c3 status, then they must provide a copy of the letter from the IRS confirming this status. Otherwise, small 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.

- By-laws (required only for first-time applicants or nonprofits that have changed bylaws within the last fiscal year)
- A board roster
- A signed Chatham County Disclosure of Potential Conflicts of Interest and Non-Discrimination Clause
 - Agencies must provide a full explanation of any identified Conflicts of Interests on the form.
- Annual audit or financial review. For agencies with an annual income of less than \$100,000, or for agencies with no paid full-time employees, an audit is not required and County staff will provide the financial review.
- W-9 (required only for first-time applicants)
- Electronic Fund Transfer (required only for first-time applicants)

Agencies must complete the certification process only once per a fiscal year. The county operates on a July 1-June 30 fiscal calendar.

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.

Eligibility Exceptions

Certification requirements for agencies receiving pass-through funding may differ from those required by all other funding processes, and will be determined based on the specific funding application.

Faith-based entities may be eligible to apply for one-time, non-annual, temporary funds for programs and/or services that are non-sectarian, non-proselytizing, and are open to the public on a non-discriminatory basis. Certification requirements for faith-based entities will be determined based on the specific funding application.

Funding Application Process

The county will announce availability of annual, competitive funds at least one month prior to the opening of the application. Notification will be posted on the county website, including application, evaluation criteria, and timelines.

Certification

County staff will review agency information for all nonprofit agencies applying for county funds to ensure compliance with the certification requirements. Staff will assess the agency's financial and legal status, and complete 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.

Boards and Committees

Whenever possible, staff will work with appointed boards and committees to get input on nonprofit funding priorities, processes and allocations. Any board or committee member who is affiliated with an agency applicant may not participate in the review 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

County staff will review applications and make recommendation for funding. County staff serving on agency boards may not participate in the review process for the affiliated applicant. The County Manager reviews all funding recommendations and has authority to make a different recommendation to the Board of Commissioners.

Commissioner Approval

The Board of Commissioners reviews and approves all recommendations for county funding. These amounts may differ from the recommended funding. Board of Commissioner approval may not be required for one-time, non-annual temporary funds.

Funding Notification

Upon Board of Commissioner approval, agencies will be notified of their funding awards. 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.

Funding Reporting and Monitoring

The reporting and monitoring requirements for each funding source will be announced with the application and further specified in the contract agreement.

Additional Information on Specific County Funding Sources

For specific information for the different nonprofit funding sources in Chatham County, please visit the follow webpages:

- **Affordable Housing Trust Fund:** <http://www.chathamnc.org/housingtrustfund>
- **Emergency Housing Fund:** <https://www.chathamnc.org/residents/affordable-housing-resources/emergency-housing-fund>
- **Human Services Nonprofit Allocation:** <https://www.chathamnc.org/residents/nonprofit-partners-grantees/nonprofit-grants-policy>
- **Parks and Recreation Nonprofit Grants:** <https://www.chathamnc.org/government/departments-programs/parks-recreation/parks-recreation-nonprofit-grant-information>