

Town of Bedford, Virginia

Policy Governing Contributions to External Organizations Presented to the Bedford Town Council on January 14, 2020 Effective Date: July 1, 2020

I. Purpose

Town of Bedford desires to assist non-profit and community organizations that provide important public services. The Council agrees the services provided by these external organizations are vital to the success of the community but are not within the scope of the town government. In these cases, outside agencies may be able to provide the service in a more efficient and effective manner than if the program were managed directly by the Town.

The requests from outside agencies are expansive and, unfortunately, the Town cannot fund all requests. The purpose of this policy is to establish guidelines and procedures related to external organizations that will be funded by the Town .

II. Scope

This policy applies to all external entities seeking financial assistance from the Town of Bedford for any purpose. This does not apply to established Fire and Rescue volunteer agencies, which are governed under separate policies, and other governmental organizations that are statutorily entitled to funding.

Examples of applicable organizations include: nonprofit agencies; community groups; groups managing and promoting festivals and other cultural events; arts groups; sports groups; educational groups; and animal welfare groups.

III. Objectives

1. Ensure that the Town of Bedford considers all requests fairly and responsibly, with a clear and consistent set of standards and procedures.
2. Ensure that contributions are consistent with the Town's overall goals for the community
3. Ensure transparency in the funding request and approval process

IV. Standards

In order to receive Town funding, organizations must meet the following criteria:

1. Must be registered and in good standing as a tax-exempt organization with the Commonwealth of Virginia and the Internal Revenue Service
2. Must be located in the Town of Bedford or have their principle clientele within the Town
3. Must submit all required information in Section V of this policy

The following organizations are not eligible for Town funding under this policy:

1. For profit organizations
2. Individual persons
3. Any entity involved in any illegal activities
4. Any group involved in partisan political activity. If group engages in such activity after an award, it shall return the entire amount of the grant.

V. Procedures

1. All contributions will be in compliance with the Code of Virginia §15.2-953.
2. Contributions to external entities will be considered once annually during the budget process. No funding requests will be considered outside of the normal request period.
3. Organizations interested in Town funding will submit a request in writing to the Fiscal Management Department by January 15 of each year. Should that date occur on a Weekend or holiday, the due date will be extended to 5:00pm on the next business day.
4. Written requests shall include the following:
 - a. Total amount requested in the following fiscal year
 - b. If this is a one-time request or will be an ongoing annual request. For ongoing requests, a description of the projected duration (including activities to date) shall be provided.
 - c. A description of the other funding sources, including but not limited to other localities
 - d. A description of the organization's goals and an overview of the organization's principal leadership demonstrating the ability to implement the project or program for which funding is requested
 - e. A description of the project or program for which funding is requested to include the goals, methods of implementation, and evaluation of success
 - f. A description of how the project or program meets the goals of the Town or meets needs that have not already been identified
 - g. A description of how the project or program will have long-term positive effects on the Town and the community
 - h. A copy of the organization's articles of incorporation
 - i. A copy of the organization's most recent financial statement (close of the most recent fiscal year) and results of its most recent audit (if separate).

- j. List of the current Board of Directors, their terms and a discussion of appointment procedures.
 - k. A copy of the organization's most recent tax return (for example, IRS form 990)
 - l. Certification of the organization's tax-exempt status
 - m. A description of the proposed activity's economic impact on the Town.
 - n. A list of other government agencies or entities that contribute to the organization (including the amount contributed).
- 5. Once requests are received, Town Staff and Council will determine if the request meets eligibility requirements. Requests will only be forwarded for action by Council if staff certifies compliance with eligibility requirements.
 - 6. By February 28 annually, the Town Staff budget development team will submit to the Council a report of eligible projects, amount requested, summary of project or program requested for funding, and a recommendation for funding given present budget constraints.
 - 7. The Council will consider each request during the budget development process and will determine if each request will be funded. The Council's consideration will be based solely upon the written request. The Council will not consider any request unless written application is made as specified in this policy.
 - 8. The Council may establish additional conditions of the award of financial support for any project or program.
 - 9. Funded requests that are greater than \$10,000 will be disbursed in equal payment quarterly. Funded requests that are \$10,000 or less will be disbursed one time in July of each fiscal year.

VI. Additional Provisions

Organizations that do not comply with the requirements and procedures found within this policy or established by the Council will be ineligible for future funding. Additionally, the Town Finance Administrator will withhold funding from any organization that is found to be in non-compliance with the requirements set forth herein.

In addition to the above, the following requirements are established:

- 1. The total amount of all funding for all external agencies shall be determined by Town Council on an annual basis.
- 2. Funds must be used by the organization for the activity stated in the application. Utilizing funds for purpose other than stated in the written request is prohibited.
- 3. Funds may not be transferred to another organization.

4. Organizations that seek consecutive annual funding for any single project or program must submit a written assessment to explain how the money was used in the prior year and evaluate the success of the program or project. This submission must be received by September 1 of each subsequent fiscal year. Failure to submit this evaluation will result in ineligibility in the following year.
5. Awards are subject to budgetary constraints. Grant recipients should not assume that subsequent or yearly contributions will be forthcoming. Requests for one-time contributions will receive most favorable consideration.
6. No organization shall be eligible to receive funding for a period of more than five (5) consecutive years.
7. Use of contributions as a match for grant funding shall be limited to consideration within this policy for a period of five (5) consecutive years.