



CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council

DATE: January 30, 2014

FROM: John McDonough, City Manager

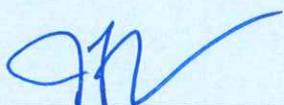
AGENDA ITEM: Discussion of Non-profit Funding Policy

MEETING DATE: For Submission onto the February 4, 2014, City Council Work Session Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

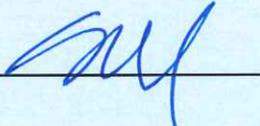
See attached:

Memorandum
Attachments

APPROVAL BY CITY MANAGER:  APPROVED

PLACED ON AGENDA FOR: 2/4/2014

CITY ATTORNEY APPROVAL REQUIRED: () YES () NO

CITY ATTORNEY APPROVAL: 

REMARKS:



TO: John McDonough, City Manager

FROM: Eden Freeman, Assistant City Manager

DATE: January 31, 2014 for submission on the Agenda of the February 4, 2014 City Council Regular Meeting

ITEM: Consideration of Draft Non-Profit Funding and Support Policy

Background

During the Council Retreat held in January, a discussion was held regarding the City's current non-profit funding and support policies. The discussion included an overview of direct appropriations, city-sponsored events and competitive awards, and included a listing of all awards to non-profit entities in the current fiscal year. Additional discussion was held during the January 21, 2014 Council Meeting, with Council directing staff to develop a revised draft of the City's Non-Profit Funding and Support Policy for consideration by the Council.

Discussion

Staff from the City Manager's and City Attorney's Offices researched Non-Profit Funding Policies in use in other municipalities to identify best practices. The attached draft Non-Profit Funding and Support Policy was prepared, incorporating the City's current policies and new language into a single policy. The draft is provided for discussion purposes.

If approved by Council, this policy will supersede all prior policies.

Attachments

1. Draft Non-Profit Funding and Support Policy



SERVING SANDY SPRINGS NON-PROFIT FUNDING AND SUPPORT POLICY

I. Purpose

The purpose of this policy is to provide guidelines in making decisions regarding requests from local non-profit organizations for financial and non-financial resources of the City ("Resources"). To the extent that non-profit organizations provide services benefitting City residents and assist in meeting the goals of the City in creating a sense of community and place, the City may choose to contribute Resources to their operations or support specific projects. The City establishes this policy to ensure an accountable, objective, and fair process for funding non-profit organization Resource requests.

PLEASE NOTE: The City has no obligation or requirement to provide non-profit organizations with Resources and hereby reserves the right not to award Resources to any or all organizations, in its sole discretion. The City may award Resources in any amount deemed appropriate by the City, which may be less than the Resources requested. This policy is subject to allocation of funds by City Council.

This policy shall supersede all existing resolutions and policies.

II. General Provisions

A. Resources

The City is under no obligation to assist or provide Resources to non-profit organizations; however, following the criteria set forth in this policy, the City will consider financial and/or non-financial assistance to such organizations.

1. Financial. The City may award financial assistance to a non-profit organization as a direct allocation if the City has designated the non-profit organization or an event produced by a non-profit organization.
2. Non-Financial. Non-profit organizations may request non-financial Resources from the City. These may include media, promotion, community notification, requests for letters of support, and use of City property.
 - a. Media, promotion, community notification. Promoting civic involvement is an important role for the City. As such, when a non-profit organization requests the City to assist in promoting an event, the City may:
 - i. Post a brief description of the event on the Community Calendar and provide contact information and/or a link to the event's official website.
 - ii. Post an announcement of the event on the City's website at the beginning of the week leading up to the date of the event.
 - iii. Promote the event on the City's social media channels at the beginning of the week leading up to the date of the event.



- b. Requests for letters of support, encouragement or endorsement. Requests for letters of support, encouragement or endorsement are often requested from the Mayor and/or Councilmembers. Where appropriate, the Mayor and Councilmembers shall make every effort to provide such letters; however, the Mayor and Councilmembers are under no obligation to do so. Non-profit organizations requesting this level of support shall provide draft letters that will be reviewed and edited as appropriate by the requested signatories.
- c. Requests for staff support. It shall be the general practice of the City to support the work of non-profit organizations to the extent the request is revenue-neutral to the City. As such, the City cannot provide staff support to non-profit organizations in any role. Should City staff desire to volunteer their time in service to a non-profit organization outside of their regular work hours, this is permissible and will not be prohibited. Such volunteer service shall not interfere nor be in conflict with the employee's regular work duties.
- d. Requests for use of City-owned property. The City anticipates that non-profit organizations may request the use of City-owned property for the benefit of their programs. In these cases, the following shall govern whether or not a request is granted:
 - i. The City may allow a non-profit organization to use real or personal property owned or leased by the City; provided, however, that in each instance a memorandum of understanding ("MOU") shall be entered into between the City and the non-profit organization for the specific City-owned property and use circumstances prior to any such allowed use.
 - ii. In the event the City allows a non-profit organization to use real or personal property owned or leased by the City, the terms of the MOU may contain provisions governing maintenance of the grounds and structures on the involved property, provisions describing responsibility for trash service, electric service, gas service, and/or water and sewer service for the involved property, and any other provisions deemed appropriate or necessary by the City.
 - iii. In the event the City allows a non-profit organization to use property owned or leased by the City, the terms of the MOU shall provide for the non-profit organization to be responsible for those activities and programming as may be allowed under the terms of the MOU, in all respects including, but not limited to, the formulation, organization, establishment, and scheduling of such activities and programming.
 - iv. The non-profit organization shall agree in the MOU to indemnify and hold harmless the City, its Mayor, Council, and all City employees, representatives, and agents or to provide adequate insurance of a sum determined by the City to protect against claims asserted against the City.



B. Eligibility

1. **Eligible Organizations.** The City may award Resources on an annual basis to 501(c)(3) qualified non-profit organizations in good standing that are located in the City or substantially serve residents of the City and provide programs or services to residents of the City.
2. **Ineligible Organizations.** Organizations without valid 501(c)(3) standing or which do not directly benefit the City or its residents in a legitimate public service enterprise need not apply and will not be considered for granting of Resources. In addition, the City will not allocate Resources to the following types of organizations:
 - a. Public or private schools
 - b. Religious or religiously-affiliated organizations or organizations promoting religion or religious programs
 - c. Organizations supporting political activities and/or private interests
 - d. Organizations that discriminate based on race, color, religion, sex, national origin, disability or age

C. Requirements

1. **City Priorities.** The programs or services provided by a requesting non-profit organization must support the goals and objectives of at least one (1) of the City's adopted priorities, which are:
 - a. Public Safety
 - b. Transportation
 - c. Recreation and Cultural Enhancement
 - d. Natural Resource Protection
 - e. Community Appearance
 - f. Downtown Development
 - g. Economic Development
2. **Public Need and Benefit.** Resources may be granted to non-profit organizations providing services meeting a public need and directly benefit City residents. Resources shall not be granted to support operational, administrative or fundraising functions.
3. **Direct Relationship with Non-Profit Organization Required.** The City, as a fiduciary, requires a direct relationship with non-profit organizations receiving Resources under this policy. Therefore, the City shall not provide Resources to "umbrella" organizations that, in turn, pass through awards to other entities.
4. **Application.**
 - a. **Complete Application Required.** Non-profit organizations requesting Resources must submit a complete and compelling non-profit Resource request application, together with a cover letter explaining how the Resources requested will meet a public need of City residents, or will further at least one of the City's adopted priorities. The required application will be posted to the City's website. Additional information must be submitted as required herein or by the application.



Applications that are incomplete will be deemed ineligible for Resources and will not be considered further.

- b. Time of Submission. Annually, a notice of availability of Resources and information for applying will be posted to the City's website. Completed applications shall be returned to the City no later than the date indicated in each year's notice. Applications received after the published deadline will be deemed ineligible for that year.
- c. Contents of Application. A complete application shall contain the following information in the order listed below:
 - i. Cover letter (as described in subparagraph (a) above).
 - ii. Application form completed and signed with any requested additional exhibits or statements.
 - iii. A one-page or less explanation of how the Resources requested will meet a public need of the residents of the City and further an adopted priority of the City. Those requests that further more than one of the City's adopted priorities may receive additional consideration.
 - iv. A one-page or less explanation of whether the non-profit organization's mission or services are duplicated by another organization(s) and if so, how collaboration and coordination of services occurs.
 - v. A one-page or less explanation of the measurable goals or outcomes and implementation plan including timeframes for use of Resources and the reporting that will be provided to the City to ensure compliance with use of the Resources.
 - vi. A one-page or less description of the population served by the requested Resources including the total number served.
 - vii. A copy of the current budget with a statement of anticipated changes for the upcoming year.
 - viii. A copy of the last twelve months profit and loss statement.
 - ix. A copy of the balance sheet including an explanation for any reserves held by the organization.
 - x. A copy of the prior year IRS tax return and IRS 990 form.
 - xi. A copy of the previous year comprehensive annual financial report, or audited financial statements and all management letters for the last five years, if applicable. If the organization does not require a comprehensive annual financial report, or audited financial statements, provide a sworn statement accounting for all receipts and expenditures or a certification statement by the board of directors' treasurer stating the organization's accounting system is adequate and sufficient to manage the requested Resources.
 - xii. A list of the organization's board of directors, including lengths of service, terms of office, officer assignments, and a statement confirming the composition of the current board of directors meets the organization's bylaw requirements and an explanation if it does not.
 - xiii. A list of paid staff and their salaries.
 - xiv. A copy of the organization's 501(c)(3) certificate and the annual certificate of registration with the Georgia Secretary of State's Office authenticating non-profit status.
 - xv. A copy of the organization's multi-year plan to achieve financial stability.



- xvi. A certification executed by an authorized officer of the organization in the following form:

"I have the authority and hereby certify that the information contained in this application and accompanying documents are true, that all financial documents have been reviewed for accuracy, and that the application is made with the knowledge and proper authorization of the organization.

Name (printed): _____
Title (printed): _____
Signature: _____
Date signed: _____"

D. Evaluation Criteria

The City shall evaluate applications and make decisions regarding awards of Resources based on, but not limited to, the following criteria:

1. Is the City receiving the best value for the resources requested? (75%)
 - a. Does the request carry out a public purpose?
 - b. Does the request further a City-adopted priority?
 - c. Is there a strong need in the City for this organization's program/services?
 - d. How many City residents are/will be served by the non-profit organization's program?
 - e. Are the goals or outcomes and plan for the Resources clearly defined and quantifiable? Do they match the mission of the organization?
 - f. Is the proposed project achievable within the fiscal year?
 - g. If education-related, have test scores, promotion or graduation rates, or student achievement outcomes improved as a result of the non-profit organization's programs?
 - h. Is the amount of Resources requested reasonable and realistic for the proposed project or event?
 - i. How long has the non-profit organization been in existence? Does the non-profit organization have a proven track record of service provision? Does the organization have a high level of coordination and collaboration with other relevant agencies/organizations serving similar populations?
2. Is the non-profit organization accessing all available resources (25%)
 - a. Do the financial records of the organization indicate fiscal accountability?
 - b. Do the organization's financial statements demonstrate an effective accounting of funds?
 - c. Is the majority of the organization's income spent on programs rather than administrative expenses?
 - d. What percentage of the non-profit organization's budget is raised through fees for service or admission; federal, state or local funding; foundation funding; individual donations, or other revenue sources?
 - e. Does the ratio between funds expended and number of residents served demonstrate efficient use of funding?



- f. Are the salaries paid to staff appropriate for similar positions in similarly sized organizations?

E. Reporting Requirements

1. The award of financial Resources to an organization shall be reimbursement-based. Organizations must substantiate the expenditure of funds under any award before the City may distribute any awarded funds. This may be demonstrated through the submission of general ledger statements, receipts, or canceled checks. Requests for reimbursement must utilize the City's approved reimbursement form, which will be provided with the notice of award/MOU.
2. If completed since submission of application, the organization must submit their most recently completed comprehensive annual financial report, or audited financial statements at the time of submission of the request for reimbursement.

F. Legal Requirements

In addition to all requirements heretofore set forth in this policy, all organizations shall certify that the non-profit organization shall comply with all federal, state and local laws and regulations. Resources awarded by the City may only be spent for the authorized purposes. The City may request proof of expenditures as verification. The non-profit organization shall submit promptly to the City any information requested related to any program/project/event for services assisted by the City, and will comply with any audit requirements of the City, or state or federal law.

DRAFT