GUIDELINES FOR THE FUNDING OF NON-PROFIT AGENCIES

Presented by

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Presentation for Board of Commissioners Pre-Meeting, 10/15/19
OBJECTIVES

**Strategic Partnership Grants:**
Respond to Commissioner request for updated Strategic Partnership Grants funding process

**Guidelines for the Funding of Non-Profit Agencies:**
Refine the Commissioner resolution establishing countywide guidance for non-profit funding
Applications open in December & are due in February
Funding runs July – June
Grants aligned to Strategic Priorities and/or Sustainability Goals
Funding decided directly by Commissioners
Grants administered as performance contracts
STRATEGIC PARTNERSHIP GRANTS:

Strengths

- Standardized online application form
- Performance contracts with clear scope of work & individualized measures
- Contract monitoring of fiscal and program performance
- Performance reporting in online dashboard
- Nested in Strategic Partnerships department with Community Engagement
STRATEGIC PARTNERSHIP GRANTS: Challenges

- Fluctuation from year to year in process for how Commissioners decide grants
- Rationale for grant decisions not standardized
- Late applications accepted inconsistently
- Not all organizations receiving Strategic Partnership Grants are nonprofit agencies
- Some organizations are overly dependent on County grants
STRATEGIC PARTNERSHIP GRANTS:

Recommendations

1. Applications open in Dec; Due in Feb (no late applications)
2. Confirm previous year funding as grant budget
3. Align grants to goals in County strategic plan
4. Limit funding to only non-profit organizations that have been in active operation for a minimum of 2 years
5. Limit grant funding to 3 years for a single project
6. Limit funding to less than 30% of annual agency budget
7. Conduct legal review to confirm that all projects meet a public purpose that County has authority to spend funds on
8. Establish a grant committee
STRATEGIC PARTNERSHIP GRANTS:
Grant Committee

Options considered:

• Commissioners decide grants directly (current process)
• Sub-committee of Commissioners
• Committee including staff
• Committee of community volunteers
STRATEGIC PARTNERSHIP GRANTS:
Grant Committee

• Establish a 9-member committee of community volunteers to review applications and recommend grant funding
• Members apply to & are appointed by Board of Commissioners
• 3-year staggered terms
• Representation of each of the Board’s strategic focus areas:
  — Environmental stewardship; Educated and capable community; Vibrant economy; Resident well-being
• Clear conflict of interest policies (e.g. no current or recent officer or decision-making role for any applying nonprofit)
STRATEGIC PARTNERSHIP GRANTS: 

Grant Review

• Committee responsible for creating a grant funding recommendation to Board of Commissioners for consideration as part of budget process
• Open process - Publish all materials online & hold meetings open to the public
• Include a presentation/interview for finalists
• Committee reviewers score proposals independently in online grant software
• Utilize a standardized, points-based scoring system
STRATEGIC PARTNERSHIP GRANTS:
Grant Scoring Criteria

- Alignment to Commissioner goals (strategic plan)
- Public purpose & community need
- Impact & cost effectiveness of model/project design
- Project plan is clear, measurable, achievable
- Demographics of client population
- Performance outputs, outcomes & demonstrated success
- Extent and quality of community partnerships & collaborations
- Leverages other funding and/or community connections
- Organizational financial health & sustainability
- Connection to other County funding/contractual relationships
DISCUSSION AND NEXT STEPS

October 15, 2019:
BOC Pre-Meeting
(review changes)

November 5, 2019:
BOC Regular Meeting
(consider approval of changes)

December 2019 – February 2020:
Applications open grant & grant writing workshop

December – January
Appoint grant committee

February-May, 2020:
Grant review

May - June, 2020:
Budget Message, Hearing & Adoption

July 1, 2020:
New grant year begins
NON-PROFIT FUNDING RESOLUTION: Current Guidance

- Commissioner Resolution 13-05-01
- Established 2008, Amended 2013
- Institutes a structured process for grants (formal application, performance contract)
- Includes various requirements and suggestions on allowable funding (administrative costs & capital funding percentages)
- Requires extensive financial reporting
NON-PROFIT FUNDING RESOLUTION:

Strengths

• Establishes accountability for non-profit funding
• Emphasizes fiscal and program performance
• Institutes contracts as the method of ensuring accountability for grant awards
• Emphasizes transparency and fiscal stewardship through open books & financial reporting requirements
NON-PROFIT FUNDING RESOLUTION: Challenges

- Unclear which of County’s multiple grant programs providing funds to non-profit agencies this applies to (Strategic Partnership; Affordable Housing; Community Recreation; Isaac Coleman; Tipping Point; Early Childhood)
- Funding eligibility criteria is narrow to specific grant programs and is a mix of required/recommended
- Financial assurances difficult to apply as written (requires full audit for all non-profits)
- Inconsistent practices across the organization
NON-PROFIT FUNDING RESOLUTION: Recommendations

1. Acknowledge the multiple grant programs for providing public funds to non-profit agencies
2. Establish criteria that applies to all non-profit organizations receiving grant funding from Buncombe County, regardless of the specific grant program through which funding is provided
3. Require all grants to use a published, well-defined, accountable process for awards
4. Require that all grant awards be administered via performance contracts with a scope of work that defines services, deliverables and reporting measures
5. Require that non-profits also open their books for the division of the organization funded with public funds and submit annual financial assurances, to include:

   a) Copies of annual IRS tax filings (Form 990s)
   b) Financial statements based on a tiered structure, consistent with industry standard practice (audits for organizations with revenues of $300,000 or greater, Reviews for those with revenues between $100,000 and $300,000, and Compilations for those with revenues less than $100,000)

Include a process for non-profits to request a waiver to use another third party provided document
**DISCUSSION & NEXT STEPS**

October 15, 2019:
- BOC Pre-Meeting
  (review changes)

November 5, 2019:
- BOC Regular Meeting
  (consider approval of changes)

November 6, 2019:
- Begin implementing changes for all grant programs