

DRAFT Community Re-Investment Program Funding Policy

Purpose

The purpose of this policy is to promote partnerships between the Town of Hillsborough and non-profit organizations for the benefit of Hillsborough residents, to equitably and efficiently allocate resources to strengthen organizations, and to provide sound and clear methods for decisions.

Policy

- Policy Statement

The Town of Hillsborough has no statutory requirement to fund non-profit agencies or other similar community organizations. Hillsborough, however, may elect to provide grants to non-profit organizations to carry out specific programs that serve a public purpose and are vital to the well-being of the town and its residents. When reviewing each application, the Board of Commissioners will carefully consider the circumstances surrounding the request and determine the urgency of needs and its value to Hillsborough. Requests for funding for direct staffing costs and/or requests for services that duplicate services that are already available to the public through other means will be given lower funding priority. Requests for funding from programs or services receiving monies from other town funding sources (e.g., Tourism Board, Tourism Development Authority, etc.) will also be given a lower funding priority, unless strong justification and unique circumstances apply.

- General Funding Assistance

The Community Re-Investment Program is intended to provide time-limited funding for qualified agencies that provide services the town is legally permitted to fund. A funding award in one-year is not a guarantee of future funding. Agencies should refrain from requesting support for permanent personnel or other on-going expenses. Eligibility does not guarantee funding. The funding amount may differ from the amount requested. Priority will be given to applications that most closely align with the Board of Commissioner's priorities in a given funding cycle. Notwithstanding concerning board priorities, the Board reserves the right to authorize funding to qualified agencies through a vote general of consensus.

- Funding Amount

As part of budget planning, staff will calculate and propose **XX (basis of allocation)** be set aside for Community Re-Investments. The Board of Commissioners will finalize funding amounts upon adoption of the budget ordinance prior to the start of the fiscal year.

- Eligibility

Organizations eligible to apply for funding are those with a 501 designation that have a majority of Hillsborough residents in their service population and/or conduct a significant amount of their activities and programs within the town limits of Hillsborough.

- Application Process

Requests for funding will only be accepted during the town's annual budget preparation process. Applications will be available in January of each fiscal year and available on the Town of Hillsborough website.

The applications will collect information related to the following:

- Submit an IRS tax-exempt letter or other documentation confirming 501 non-profit status.
 - Submit a list of all board members (name, term, and office).
 - Submit audited, reviewed, or completed financial statements prepared for the most current fiscal year.
 - In all cases where the town provides \$20,000 or more annually, a financial audit conducted by an independent certified public accountant will be required annually with a copy of the audit report, management letter (if any), and a copy of the agency's final budget for the audit period.
 - If an audit has not been done, then the town board may choose to provide up to a maximum of two-years of funding eligibility to provide time for the organization to secure an accounting firm to conduct an audit to comply with this requirement. If this option is taken, the organization is required to submit a timeline detailing the steps of engaging an accountant to complete the audit.
 - In other cases, where the town provides less than \$20,000 annually, an audit is recommended but not required by the town. Any agency meeting this criterion may provide the town with a review prepared by a certified public accountant or a copy of the IRS Form 990 Annual Information Return for the period(s) in which funds are received under a grant from the town.
 - If the town provides less than \$10,000, an agency must provide two years of financials.
 - Submit a program or service description and copy of their proposed program budget.
 - Submit a list of other sources of revenue that have been requested to support the project.
 - Identify the number of Hillsborough residents that are expected to receive direct services from the program during the fiscal year as a result of town funding.
 - Renewal requests shall indicate the actual number of Hillsborough residents serviced during the funded period.
 - Proposals that request funding for programs that replicate services already available in the town must clearly demonstrate that they will address an unmet service demand, or that they will deliver comparable services at a significantly lower unit cost than the currently available services.
- Review and Funding Process

Applications that are received after the deadline or do not provide the required information as set forth herein will be deemed ineligible for funding. Eligibility for funding will be reviewed by the Budget Office. Eligible requests will be presented to the Board of Commissioners for funding consideration. Subsequent to board approval of the annual budget, agencies will be notified of the outcome of their request. Successful funding awards will be effective for one year, unless an exception is made by the board of commissioners.
 - Distribution of Funds

An agency must enter into a contract with the town prior to receiving funding approved by the board. The contract will describe among other items, the services to be provided, the funding distribution schedule, and other terms and conditions. If or where performance measures,

milestones, service levels, and/or other relevant metrics help monitor the efficiency and effectiveness of funded programs, then they may also be included in the contract.

Funds distributed by the town may only be spent as indicated in the Community Re-Investment application for which the funds were awarded, or as otherwise approved by the board. The town reserves the right to recapture funds not utilized according to this policy.