



Agenda Abstract

BOARD OF COMMISSIONERS

Meeting Date: Feb. 9, 2026
Department: Administrative Services
Agenda Section: Regular
Public hearing: No
Date of public hearing: None

PRESENTER/INFORMATION CONTACT

Administrative Services Director Jen Della Valle

ITEM TO BE CONSIDERED

Subject: Nonprofit Funding Process Review

Attachments:

1. Updated Draft Policy
2. Draft scoring guide
3. Draft report template

Summary:

The town board provided feedback regarding the Community Reinvestment Program at the December 2024 board meeting. Staff recommended a phased approach for the remaining items to evaluate and this is an opportunity to check in on the program and potential updates.

Phase 1 – Spring 2025 (Completed)

- First round of updates to policy and application. Most of the modifications the town board proposed were able to be incorporated in this phase.
- Funding amount

Phase 2 – Fall 2025

- Audit/financial requirements – determine what the audit/financial requirements are for nonprofits that receive town funding. The board had discussed establishing tiers based on organization's budget size.
 - o Human Services/Outside Agencies Funding Program (Orange County/Chapel Hill/Carrboro) requires the completion of "Schedule of Receipts and Expenditures" worksheet for agencies with revenues less than \$500,000 that do not have a financial audit or a financial report. Agencies with receipts of \$500,000 or more must submit a CPA-certified financial audit.
 - o Recommend aligning with this standard for the FY28 funding cycle.
- Reporting requirements – determine what the reporting requirements will look like for nonprofit organizations that receive funding from the town.
 - o Draft reporting template attached.
 - o Recommend adding a requirement that all nonprofit partners submit a report to the town by September 1, following the conclusion of the fiscal year in which the organization received funding.
- 501 nonprofit designation specification
 - o Human Services/Outside Agencies Funding Program (Orange County/Chapel Hill/Carrboro) requires that proposals be from established 501c3 agencies.
 - o Recommend aligning with this standard and including 501c4 agencies as well. If the organization does not have a 501c3 or 501c4 designation, they must partner with one to serve as a fiscal agent.

Phase 3 – Winter 2025

- Reevaluate program based on FY26 process
 - o Made updates to the FY27 application to make it more user-friendly.
- Establish rubric/guiding questions/framework
 - o Drafted scoring guide for the board to discuss and modify.

Staff revised the program name from Community Reinvestment to Nonprofit Partnership this funding cycle so it could be more intuitive to organizations seeking town funding. The board can redirect staff on the name, if needed.

Financial impacts:

No additional financial impacts.

Staff recommendation and comments:

Review updated materials and provide feedback/direction to staff on the program. Approve policy revisions.

Action requested:

Discuss and provide feedback. Approve policy revisions.