

Town of Swansboro

Funding Policy for Nonprofit Organizations

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Supersedes: N/A

Proposed to BOC: "Draft"

Effective: 11/12/2024

PURPOSE

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

COVERAGE

This policy, upon adoption by the Board of Commissioners, shall be applicable to all requests for support from nonprofit organizations.

POLICY

1. **Eligibility:** Organizations serving Town of Swansboro are defined as those with a 501(c)(3) designation; is a group which regularly comes together for purposes of promoting, providing or supporting services, and is one which is described in one or more of the following: uses a location within Town of Swansboro corporate limits for its primary service place, has a majority of Town of Swansboro residents in its service population, or conducts a majority of its activities and programs in Swansboro. Regional organizations which focus a significant program in Swansboro, but otherwise conduct business and operations outside of Swansboro, may also be considered for support or sponsorship for Swansboro-based services. Applications will be available on the Town of Swansboro's website, at the Administration Services Department at the Town Hall.
2. **General Funding Assistance:** Organizations may apply to the Town of Swansboro for operating funding assistance, specific program costs, or for capital items necessary for successful execution of their mission. These requests will be handled as part of the annual budget year planning process and are due no later than January 31st. Funding awards require an audited copy of financial statements. As with all funding

appropriations, the Board of Commissioners action is required for approval of all nonprofit funding awarded.

3. **Funding Criteria:** The nonprofit application will be maintained by the Town Clerk's office and will be aimed at collecting information related to the following:
 - a. The number of Swansboro citizens directly served by the organization (generally, the larger the number of Swansboro citizens served, the greater the value to the community, but only benefiting a few individuals does not necessarily eliminate it from the possibility of being considered for Town of Swansboro funding).
 - b. How well the mission and services of the organization match those of the Town of Swansboro
 - c. What the impact on Town operations would be if the nonprofit could no longer provide its services
 - d. The level of Town resources necessary to provide the same level of benefits to the citizens and community of Swansboro as the nonprofit currently provides
 - e. How long the nonprofit organization has been in existence (generally, a nonprofit that has been in existence longer has proven its value to the community and its ability to raise funds, but being a new nonprofit does not necessarily eliminate it from the possibility of being considered for Town of Swansboro funding)
 - f. Whether or not an organization received funding in a prior year will not be a determining factor in the recommendation process. Each year is evaluated independently of any prior year funding decisions. Therefore, an award for one year is not a guarantee of funding in any future year(s).
4. **Recommendation Process:** The recommendation process will be managed and scheduled as part of the Town of Swansboro annual budget preparation cycle. Completed applications will be reviewed by a representative of the department most closely affiliated with each organization requesting funding. These staff representatives will meet as a group to discuss the requested funding levels of each organization and will reach a consensus on what they as a group believe to be the most efficient, effective, and equitable funding distribution given the completed applications and how well they address the funding criteria referenced above. The funding recommendations made by this group will be reviewed with the Town Manager for any adjustments and inclusion in the Proposed Budget. Following delivery of the Proposed Budget to the Board of Commissioners, nonprofit

organizations will be notified of the amount of funding recommended for their organization. Typically, this will occur after the budget adoption.

5. **Funding Decisions:** The nonprofit application packages received will be available for the Board of Commissioners and public inspection in the Town Clerk's Office. Any adjustments that the Board of Commissioners makes to the recommended funding amounts included in the proposed budget can be made as part of the budget approval process. All agencies requesting funding will be notified of the Board of Commissioner's final funding decisions by the end of the first full week of the fiscal year (first full week of July).
6. **Funding Distribution:** All final nonprofit funding amounts will be distributed to the respective organizations by the end of the first month of the fiscal year (July).
7. **Funding Usage:** Funds distributed by the Town of Swansboro may only be spent as indicated in the nonprofit application for which the funds were awarded. Proof of the respective expenditures including actual receipts may be requested as verification by the Town of Swansboro. Town of Swansboro funding distributed to nonprofit organizations may not be used for political activities.