

## DIVISION 5. - DONATION OF PUBLIC FUNDS TO NOT-FOR-PROFIT ORGANIZATIONS

### Sec. 2-161. - Purpose of division.

The city may, from time to time, provide financial assistance to not-for-profit organizations that provide assistance to its citizens. In funding not-for-profit organizations, the city will:

- (1) Encourage the not-for-profit organizations to provide services that meet specific needs of citizens.
- (2) Provide last resort capital or operating budget support to not-for-profit organizations.
- (3) Supplement (not supplant) funding from other sources available to not-for-profit organizations.
- (4) Provide limited funds to encourage the not-for-profit organizations to seek alternative resources of funds, donated materials and volunteer labor.
- (5) Relate specifically to measurable levels of service provided to city citizens.
- (6) Promote accountability through reporting of services provided.

(Code 2005, § 2-161; Ord. No. 2005-52, § 1, 10-11-2005; Ord. No. 2014-11, § 2, 3-25-2014)

### Sec. 2-162. - Procedures.

The presentation and consideration of requests for expenditures of public funds by the city council in support of not-for-profit organizations will be evaluated based on the following guidelines and criteria:

- (1) Requests for the donation of public funds to not-for-profit organizations must be submitted to the city manager's office.
- (2) Organizations requesting the donation of public funds from the city are required to complete the city's request form.
- (3) Each not-for-profit organization's application for funds will be screened by the city manager's office to ensure that the guidelines and criteria are met.
- (4) Presentations of qualified applicant requests will be made at a city council meeting, to include a public hearing.
- (5) Not-for-profit organizations whose requests do not meet the guidelines and criteria of this policy will be so notified and, if appropriate, invited to resubmit the request.
- (6) City council donations to not-for-profit organizations will be based on the benefit to the public and the priorities of community outcomes.

(Code 2005, § 2-162; Ord. No. 2005-52, § 1, 10-11-2005; Ord. No. 2014-11, § 2, 3-25-2014)

Sec. 2-163. - Eligibility criteria.

At a minimum, the not-for-profit organizations will meet the following qualifying criteria to receive public funds:

- (1) The organization will be a nonprofit, tax exempt 501(c)(3) corporation, in good standing with the state, and must have an active board of directors in compliance with IRS section 501(c)(3).
- (2) The organization will have been operating successfully for at least two years prior to the application deadline.
- (3) The organization will have sufficient funding support to meet ongoing operating costs and obligations.
- (4) The organization is not currently receiving other funding from the city.
- (5) If previously funded by the city, the organization must have successfully fulfilled all prior contractual obligations, or explain reasons for noncompliance.
- (6) Services and programs are need-based, nondiscriminatory, and provided to the citizens of the city.
- (7) Services and programs are provided through means that are more cost effective than the city government could provide.
- (8) Services and programs supplement or extend the services and programs by the city.
- (9) Services and programs are able to fill gaps that may exist between those of the city and the needs of the community.
- (10) The organizations are able to verify their not-for-profit status and submit detailed financial documents for review by city staff, including, but not limited to:
  - a. Federal tax identification number.
  - b. Copy of 501(c)(3) nonprofit status certification letter.
  - c. Certificate of liability insurance.
  - d. A current list of the organization's board of directors, officers, and staff.
  - e. The organization's bylaws and mission statement.
  - f. Audited financial statements and/or detailed budgets for the two years prior to the date of the organization's request.

(Code 2005, § 2-163; Ord. No. 2005-52, § 1, 10-11-2005; Ord. No. 2014-11, § 2, 3-25-2014)

Sec. 2-164. - Restrictions on the use of public funds.

The city will not fund the following:

- (1)

No more than 25 percent of the public funds request may be for salaries, however, under unusual circumstances, exceptions may be approved by the city council.

- (2) Social functions, parties, receptions, fund-raising benefits, refreshments, or beverages.
- (3) Licensing fees of any kind.
- (4) Underwriting, investments, stocks, bonds, or any financial obligation.
- (5) Interest and/or depreciation on loans, fines, penalties, or costs of litigation.

(Code 2005, § 2-164; Ord. No. 2005-52, § 1, 10-11-2005)

Sec. 2-165. - Accountability.

Not-for-profit organizations requesting donations of public funds will adhere to general accounting principles as set by law. Continued compliance with these standards is a criterion for possible future donations. Submission of an end-of-year financial report to the city after the donation is granted is required as a condition of the receipt of funds.

(Code 2005, § 2-165; Ord. No. 2005-52, § 1, 10-11-2005; Ord. No. 2014-11, § 2, 3-25-2014)

**Editor's note**— Not-for-profit organizations that provide assistance to citizens of the city can apply for financial assistance from the city by way of a form that is on file in the city secretary's office.

Secs. 2-166—2-170. - Reserved.