Guilford County

Community Based Organizations (CBO) Funding Policy

I. <u>Purpose</u>

The purpose of this policy is to promote partnerships between Guilford County and nonprofit organizations for the benefit of Guilford County residents to improve the quality of life for its citizens, ensure equal access to available resources, and seek efficiency in service delivery.

II. <u>Coverage</u>

The policy, upon adoption by the Guilford County Board of Commissioners, shall be applicable to all requests for support from nonprofit organizations that provide human service needs that serve the citizens of Guilford County.

III. <u>Policy</u>

A. *Eligibility*

Organizations serving Guilford County are defined as those having 501(c) designations and meeting the legal requirements of the State of North Carolina, the Internal Revenue Service (IRS), and the County of Guilford and which use locations within Guilford County limits for its primary service place, have an office in Guilford County, have a majority of Guilford County residents in their service population, and/or conduct a majority of their activities and programs in Guilford County. An organization with a primary economic development focus will be considered an Economic Development Organization (EDO) and reviewed through the EDO process for compliance with state laws around economic development grants.

B. *General Funding Assistance*

The CBO Policy is intended to provide time-limited funding for qualified agencies that provide services the County 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 and other ongoing expenses. The requested funding cycle must be noted on the original application. Any long-term funding commitments, made prior to the effective date of this policy, may be honored as determined by the Board. Priority will be given to applications that most closely align with Board of Commissioner priorities established in a given funding cycle. Notwithstanding concerning board priorities, the Board reserves the right to authorize funding to qualified CBO agencies through a vote general of consensus.

C.   *Funding Amount*

As part of budget planning, staff will calculate and propose 0.2% of the projected General Fund budget be set aside for CBO investments. The Board of Commissioners will finalize funding amounts upon adoption of a budget ordinance prior to the start of the fiscal year.

D.   *Application Process*

Applications will be available in January of each fiscal year and available on the Guilford County web site and advertised on the county website and through the county's various media platforms.

Not less than two weeks prior to the application opening, staff will conduct an orientation and training session with potential applicants to ensure understanding of and adherence to County funding and applications requirements.

The applications will collect information related to the following:

(i)   How well the mission and services of the organization match those of Guilford County;

(ii)   A tax I.D. number is required;

(iii) The application must also include tax exempt documentation, current annual certified audit if application is over $100,000, management letter if applicable and, and a board member roster to ensure compliance with applicable laws.

(iv)   Applicants will be required to list other sources of revenue that have been requested to support the project.

(v)   The type of service(s) provided, the estimated number of residents to be served, the general socio-economic characteristics of residents to be served, outcomes to be achieved, and specific metrics that can be used by the County to evaluate the success of the service(s) funded by the County and their desired outcomes.

(vi)   The agency's capacity and ability to complete or provide the proposed program(s) or service(s). Guilford County will complete a risk assessment profile for each applicant and will vet each for capacity to adequately track and report program performance as funded.

Revised by Guilford County Board of Commissioners: 01-19-23, 11-17-22, 08-04-22, 06-16-15, 01-17-14

First adopted: 03-29-07

An application will not be considered if the application packet is incomplete or is submitted after the established due date. An organization's receipt of 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 of one year is not a guarantee of funding in any future year(s).

IV. The Recommendation Process

The recommendation process will be managed and scheduled as part of the County's annual budget preparation cycle. Completed applications will be reviewed by representatives of the department most closely affiliated with the services proposed by each organization requesting funding.

These staff representatives will meet as a group to discuss the requested funding level of each organization and will reach a consensus on what they as a group believe to be the most efficient, effective and equitable funding, given the completed application and how well they address the funding criteria referenced above. The funding recommendation made by the staff will be reviewed by the County Manager and included in the recommended budget that is presented to the Board of Commissioners. Following the adoption of the county budget, all the applicant organizations will be notified. Awarded CBO grants will be budgeted in the appropriate departments as determined by the Budget and Management Services Department.

V. Distribution of Funds, Reporting and Compliance

An agency must enter into a contract with the County prior to receiving funding approved by the Board of Commissioners. The contract will describe, among other items, the services to be provided, the funding distribution schedule, the expenditure and performance reporting requirements, and other terms and conditions.

Funds distributed by Guilford County may only be spent as indicated in the nonprofit application for which the funds were awarded, or as otherwise approved by the Board of County Commissioners. Guilford County funding distributed to nonprofit organizations may not be used for political activity. Funded organizations may be subject to on-site monitoring visits by County Staff as well as a comprehensive County internal audit.

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Funding distribution and expenditure and performance reporting will be based on the following:

- Awards up to $100,000 may be distributed up-front following completion of an application and contract detailing an allowable public purpose. Use of funds will be reported on through quarterly performance and expenditure reports with necessary invoices to document funds were used for allowable purposes. Reports may be reviewed by the Internal Audit Department.

- Funding awards greater than $100,000 may be distributed up-front up to $100,000 following completion of an application and contract detailing an allowable public purpose with the remaining award distributed on an upfront quarterly basis pending satisfactory review of performance and expenditure reports. Use of funds will be reported on through quarterly performance and expenditure reports with necessary invoices to document funds were used for allowable purposes. Reports may be reviewed by the Internal Audit Department and the organization must submit a completed external audit.

- Funding may be withheld if performance and expenditure reports for any prior period(s) are not received within 30 days of the end of the prior period(s).

- Guilford County reserves the right to recapture funds not utilized according to this policy.