



Town of Sunset Beach Outside Agency Funding Guidelines

Section I. Documentation of Outside Agency Eligibility

Before applying for the Town of Sunset Beach outside agency funding, organizations must first review and confirm that all general eligibility criteria are met.

Organizations interested in receiving public funds through the Town of Sunset Beach's Outside Agency funding process *should* meet the following eligibility criteria. A complete application will be accompanied by the indicated documentation to substantiate the following:

1. **The organization is incorporated within the State of North Carolina as a not-for-profit entity.**
 - a. Include copy of Articles of Incorporation (as Attachment 1a)
 - b. Include copy of Agency By-laws (as Attachment 1b)
2. **The organization provides a public service that benefits the citizens of the Town of Sunset Beach and the Town would have to provide this essential service at a potentially greater expense if the non-profit were not able to do so.**
 - a. In 150 words or less, describe public services to be provided. Additionally, indicate at least three measurable outputs and the planned outcome for this project/program (as Attachment 2a)
 - b. Include project/program total cost for providing the service (as Attachment 2b)
3. **The organization must demonstrate the capacity to carry out the proposed project or program. In addition to having the professional capacity, the organization *should* fund at least half of the cost of the project or program with its own income/revenues.**

A one-to-one (1:1) match is required.

[The requirement to have a 1:1 cash match was originally included to require agencies to also be financially vested in an initiative for which they request the Town to provide public funds. There was discussion about whether or not to allow in-kind contributions to count toward this match. Staff is not aware of any legal provision that would prevent including in-kind contributions toward such a match. However, Council should also be advised that the inclusion of in-kind contributions is not allowed in many state/federal grants because administering what will and won't apply as an in-kind contribution can be very time consuming and complex. There are many IRS rules regarding what is and isn't allowable in claiming in-kind contributions for tax purposes and confusion could easily occur.]

- a. Include resume for program/project lead person(s) or a brief description of experience in performing such activities (as Attachment 3a)
- b. Provide an organizational chart with structure and chain of command (as Attachment 3b).
- c. Include most recent two years of agency's 990 or other federal tax returns (as Attachment 3c) if applicable.
- d. Include agency's most recent Audited Financial Statements (as Attachment 3d) if applicable.
- e. Provide agency's total annual budget (as Attachment 3e) if applicable.
- f. Provide program/project specific budget for specific funding requested (as Attachment 3f).

Note: If the agency has not contracted to have an audit performed by a Certified Public Accountant and it is not required to file a full IRS Form 990, the agency should submit a copy of its federal tax return (or postcard) along with a listing of the agency's board of directors and their addresses (as its Attachment 3c) and detailed financial statements for the most recent two years indicating revenues, expenditures and year-end fund balances (as its Attachment 3d).

4. An organization may be **ineligible** for Town of Sunset Beach Outside Agency funding if:
 - I. It has undesignated cash reserves, exclusive of assets listed in parentheses (endowment, capital improvement, other restricted funds and donated works of art) in excess of one year's operating expenses; or
 - II. It has budgeted a deficit due to financial instability in the fiscal year for which funds are requested and has no feasible plan for eliminating such a deficit.

Section II. Submitting an Application

Applications shall only be accepted for activities that are primarily for the benefit of the general public, not specific persons, interests or estates. Additionally, funding applications shall only be considered for services or activities that the Town is legally authorized to perform.

The window of acceptance for application packets shall be from January 15 – March 31 of each year for inclusion in the following fiscal year's budget process. The application deadline is **4 p.m. on March 31**, unless March 31 falls on the weekend, in which case the deadline shall be extended to 10 a.m. on the first business day following March 31.

Applications may be delivered electronically or by mail to the Town of Sunset Beach Finance Department. Applications must be complete and accurate. Any funding requests determined by the Finance Director to be materially incomplete will not be submitted to the Town Council for funding consideration.

Outside Agency funding application forms can be obtained in two ways:

1. Electronic versions can be obtained from the Town of Sunset Beach Finance Department page on the Town's website at www.sunsetbeachnc.gov.
2. Electronic versions can be requested by email from the Town of Sunset Beach's Finance Department by calling (910) 579-6297.

Section III. Funding Request Review Process

Outside Agency funding requests are subject to a multiple review process:

1. The Finance Director reviews requests for funding and presents a summary of all Outside Agencies funding requests, including information regarding financial condition, to the Town Council as part of their budget work sessions in the spring.
2. The Finance Department and Town Administrator review Town-wide revenue levels and requests from Town departments and outside agencies.
3. The Finance Director presents the recommended budget to the Town Council. The Town Council votes on the budget recommendation. All requests for Town funding must be approved by the Town Council.
4. The Finance Department notifies approved Outside Agency of the Town Council's funding decisions. Contract and reporting requirements (outlined below) are required for all Outside Agency funding. The Finance Department is responsible for oversight of an Outside Agency's contract.

Section IV. Outside Agency Funding Timeline

- **By November 15th** - The Town's Finance Department page on the Town website is updated with the next fiscal year's application for Outside Agency funding.
- **February 15 - March 31** - Window for acceptance of Outside Agency funding requests. Requests are reviewed by Town staff in order of receipt.
- **April** - Outside Agency summaries are presented to the Town Council at a budget work session.
- **June** - Town Council votes on the budget for the new fiscal year. Upon budget approval, Community Agencies will be contacted by the Finance Department, wherein staff will oversee the organization's contract and reporting requirements.

Section V. Requirements of Agency if Town Funding is approved

The following sections outline the requirements of an Outside Agency should project/program funding be awarded by the Town of Sunset Beach. The contractual arrangement between the Town and the Outside Agency will outline the specifics regarding reporting and financial requirements.

Contract

The Town of Sunset Beach is contracting with agencies for specified units of service at an agreed upon cost. When funding is approved, a contract is sent to the agency specifying the terms and conditions of funding, procedures for payment of funds, reporting, monitoring and evaluation requirements and a detailed schedule of services to be provided. The applicant must sign and return the contract signifying agreement to the terms and conditions. No major changes can then occur, either in activities, financing or use of funds, without requesting and receiving explicit approval in writing from the Town of Sunset Beach.

Contractual Requirements:

1. Assurance of compliance with the Town’s non-discrimination policy;
2. Conformance to generally-accepted accounting principles (GAAP) or a statement of conformity to acceptable alternative accounting method.
3. Specified Town funding statement inserted into all print and electronic marketing materials that are generated with Town-provided funding.
4. Conflict of interest policy.
5. Statement recognizing prohibition of passing through Town funds to other agencies for initiatives, programs or events outside of those approved by the Town in the contract agreement.
6. Funding must be used for a public purpose (as defined by the North Carolina Constitution).

Payment

Payments may be made on a reimbursement or percentage of completion basis as defined by the individual contract. According to the fiscal requirements established by the Town of Sunset Beach, all payment requests must be sent in writing to the Finance Department and must be accompanied by both year-to-date budget/actuals and verification of expenditures (such as copies of invoices and cancelled checks).

Reporting Requirements

Outside Agencies contracted to receive funding from the Town are required to provide service performance data actuals based on the service output and outcome data provided in the application no less than twice per year.

1. Interim Report – due mid-way through the project, or by January 15.
2. Final Report and Cash Position Statement – due the earlier of thirty (30) days after the completion of project, or June 15.

Audit / Disclosure Requirements

For Town funding of \$25,000 or more: Outside agencies must submit two original, bound copies of the agency’s audited financial statements within 120 days of the fiscal year-end, covering the fiscal period of funding award. The audit must be conducted by a Certified Public Accountant (C.P.A.) licensed in the state of North Carolina. Each audit report must be accompanied by a management letter, if one has been prepared by the auditor, and a copy of the agency’s final budget for the fiscal year. For organizations with a July 1 – June 30 fiscal year, the audit deadline will be November 1.

For Town funding of less than \$25,000: An audit is recommended, but not required by the Town. If a funding recipient does receive an audit, however, two original, bound copies of the audit inclusive of the funding award, two copies of the agency’s final budget for the fiscal year, and any management letter

should be submitted to the Town of Sunset Beach Finance Department within 120 days following the end of the organization's fiscal year.

For Town funding of \$5000 or more: In accordance with N.C.S.L. 2012-169, all agencies receiving funding in the amount of \$5000 or more shall meet the public disclosure requirements set forth by North Carolina state law.

For Town funding in any amount: The Town, at its discretion, may require an examination of any funded agency's financial records by the Town Finance Department to ensure appropriate expenditure of public funds.

Recapture of Funds

The Town Council reserves the right to terminate any funding agreements and/or recapture any public funding provided if it is determined that agency does not adhere to essential funding provisions, such as but not limited to the public purpose requirements.