



## STAFF REPORT

Meeting Date: June 29, 2015

Agenda Item #: 8J

**TO:** Mayor and Town Council  
**FROM:** Bonnie Schwerd, Finance Director  
**THRU:** Susan Parker, Town Administrator  
**TITLE:** Outside Agency Funding Guidelines  
**ATTACH:** Proposed Funding Guidelines  
UNC School of Government *Coates' Canons* Blogs  
Special Regulations for Non-profits receiving public funds

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**Summary:** During the budget workshops, staff recommended that the Town Council consider establishing a more concrete set of funding guidelines for non-profit agencies that apply for Town funding prior to awarding any Town funds in this year's budget to non-profit agencies.

**Discussion:** The Town has historically provided non-profit agencies with various amounts of public funding to carry out projects that are beneficial to the Town of Sunset Beach residents. Rather than continuing to handle funding requests on a case-by-case basis, staff has recommended that the Town Council consider adopting policy guidelines to help provide direction for the non-profit agencies that are providing programs and projects in the community with public funds as well as for the staff who must monitor and oversee the use of these taxpayer dollars.

Limitations on the activities that local governments can undertake are spread throughout the N.C. General Statutes, but local governments are only permitted to engage non-profit agencies to provide services that the local government could otherwise perform directly. Additionally, the North Carolina Constitution sets forth the requirement that the general public in the municipality, not an individual, interest or estate, must be the primary beneficiary of all activities undertaken with public funds. Additional information about these requirements can be found in the two UNC School of Government *Coates' Canons* blogs by Kara Millonzi that are included in this packet.

Draft policy guidelines are included for Council's review and consideration.

**Recommendation:** Staff requests that the Town Council consider the policy draft and requests feedback for any needed changes so that a final policy document can be adopted.