



NON-PROFIT AD-HOC COMMITTEE AGENDA
Sumner County Administration Building
Conference Room #112
November 19, 2019
5:00 pm

MEMBERS
Deanne Dewitt, Chairman
Jerry Becker
Shellie Young Tucker
Justin Nipper
Merrol N. Hyde
Alan Driver

- I. CALL TO ORDER
 - A. Invocation
 - B. Approval of Agenda
 - C. Recognition of Public
 - D. Approval of Minutes-October 28, 2019

- II. REPORT OF THE CHAIRMAN

- III. REPORT OF THE FINANCE DIRECTOR

- IV. NEW BUSINESS
 - A. Non-profit resolution
 - B. Outside agency funding applications

- V. ADJOURNMENT



NONPROFIT AD-HOC COMMITTEE MINUTES

October 28, 2019

MEMBERS

Deanne Dewitt, Chairman
Jerry Becker
Shellie Young Tucker
Justin Nipper
Merrol N. Hyde
Alan Driver

- I. CALL TO ORDER by Chairman Dewitt at 5:00pm in room 112 of the Sumner County Administration Building in Gallatin, Tennessee.
 - A. Invocation – led by Commissioner Tucker
 - B. Approval of Agenda – motion to approve by Commissioner Tucker, second by Commissioner Driver, unanimous approval
 - C. Recognition of Public - none
 - D. Approval of Minutes-July 31, 2019 – motion to approve by Commissioner Hyde, second by Commissioner Tucker, unanimous approval

II. REPORT OF THE CHAIRMAN

- A. Nonprofit Allocation Analysis – Chairman Dewitt explained the analysis included in the packet. She stated her goal, by the next budget cycle, is to have a clear understanding of why we are allocating taxpayer funds to nonprofit organizations and to clarify under what circumstances we continue to do so. Chairman Dewitt stated she placed each agency in one of three categories: rural fire, economic and environmental, or safeguarding vulnerable persons. Chairman Dewitt informed the committee of the feedback she has received from different agencies and individuals she has spoken with regarding the county's funding process. One of the biggest concerns is the difficulty and lack of accurate data of the Excel spreadsheet that is labeled part two of the outside agency application. She also explained part one of the application is labeled as "a lot of work" for the amount of funding that is available. Lastly, it was mentioned for the agencies that receive funding to obtain a profile on GuideStar or Giving Matters to help the public understand what they do. Chairman Dewitt explained she would like for the committee to look deeper at the performance of each organization before funding is provided in the future.

- III. REPORT OF THE FINANCE DIRECTOR – Finance Director Lawing explained he could only find single-year contracts for some of the nonprofits. He also explained the two private acts that have the following provisions: the county must fund a minimum of \$350K to the Tourism Board of Sumner County, and the county is responsible for 3/7 of any deficits for the resource authority. The county currently pays \$100K, 3/7 of the utility expenses, and 3/7 of the expenses related to the closure of the Capps Gap Landfill.

IV. NEW BUSINESS

- A. Nonprofit Listing – included in the packet
- B. Nonprofit Resolution – included in the packet. Chairman Dewitt recommended setting an amount to fund nonprofit agencies during the budget cycle but not allocating funds until January 1. She explained after the budget is approved, the committee can dig deeper into the performance of the agencies before deciding proper funding for each one. Chairman Dewitt pointed out that rural fire departments are receiving \$450K, which is 25% of the total nonprofit contributions; economic and environmental is receiving \$1,251,086, which is 70% of the nonprofit contributions; and the safeguarding vulnerable persons category is receiving \$88,171, which is 5% of the total nonprofit contributions. She pointed out that the senior citizens' centers are receiving \$52K of the \$88,171 total. The committee agreed that a few points need to be changed on the resolution. Finance Director Lawing informed the committee that, statutorily, the agencies have a right to present to the committee and to the commission before a budget is adopted. Law Director Dennen disagreed. Finance Director Lawing and Law Director Dennen stated they would discuss this amongst themselves. Finance Director Lawing asked Chairman Dewitt if she wanted the current applications included with the next meeting's agenda to discuss and possibly amend. Chairman Dewitt stated, "yes".

- V. ADJOURNMENT – motion to adjourn at 6:15pm by Chairman Dewitt

RESOLUTION DEFINING SUMNER COUNTY
CRITERIA FOR CONSIDERING AND PROCESS FOR ADMINISTERING
OUTSIDE AGENCY FUNDING REQUESTS

WHEREAS, Tennessee state statutes authorize county governments to make financial contributions to nonprofit charitable organizations and nonprofit civic organizations, enabling us to assist nonprofit organizations in furthering the economic development, social welfare, and common good of our residents; and

WHEREAS, a nonprofit charitable organization is exempt from taxation pursuant to Internal Revenue Code where no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder or individual and provides services benefiting the general welfare of the residents of the county; and

WHEREAS, a nonprofit civic organization, also exempt from taxation pursuant to Internal Revenue Code, operates for the primary purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the county by promoting industry, trade, commerce, tourism and recreation and by inducing businesses to locate in or to remain in the county; and

WHEREAS, Sumner County residents receive myriad benefits as a result of the services provided by area nonprofit agencies, and often, there would be a considerable cost to the county if these services were not provided.

THEREFORE, BE IT RESOLVED by the Sumner County Board of County Commissioners, meeting in regular session on the ____ day of _____, 2019, that this body does affirm that when financially able, it will provide contributions to eligible nonprofit charitable organizations and nonprofit civic organizations per the following stipulations.

- A. Administration of grant requests will be customized for each of the following eligible categories.
 - a. **Rural Fire Departments:** located in rural, non-municipal areas providing first responder fire and emergency services to residents, businesses, schools, and organizations in their area
 - b. **Economic and Environmental Agreements:** primarily nonprofit civic organizations committed to economic and workforce development as well as government-extension agencies that promote efficiency in transportation, refuse disposal, and natural resources
 - c. **Serving Our Citizens:** local nonprofit charitable organizations that support, care for, and/or protect our children, seniors, and **community** as well as those in unsafe or vulnerable conditions
- B. Contributions to Rural Fire Departments and agencies supported through Economic and Environmental Agreements will be evaluated during the annual county budget process. Those agencies and services which are governed by a contract, private act, or statute will be limited to a **one** year term and, when the term expires, will be reevaluated for continuation but at no time will legal obligations be ignored unless statutorily authorized.
- C. Contributions to agencies categorized as Serving Our Citizens will be invited to complete a grant application to be considered through a charitable giving panel review process conducted *after* the total nonprofit charitable donation amount is approved **during the regular budget cycle. Grant applications will typically be made available on or about July 1st of each year pending budget approval.** These agencies will be eligible for no more than \$2,500 in the first year or a \$2,500 increase in subsequent years and, in years where Sumner County's total charitable contribution amount does not increase, preference will be given to prior year recipients **that continue to enhance**

the community with proven performance measures. Charitable appropriations will be made after the charitable giving panel completes its work, on or about January 1 the following year.

- D. Charitable donations will ONLY be considered during the annual budget and panel review process.
- E. Per state statute and directive of this body, any nonprofit organization that receives financial assistance from the county must file with the Sumner County Clerk's office and with the Finance Department, an annual report of its business affairs and transactions which includes, but is not limited to, a copy of an annual audit (or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury), a description of the program that serves the residents of the county, and the proposed use of the county assistance. Failure to provide required documentation will forfeit the nonprofit organization's opportunity to apply for a charitable contribution in the subsequent funding year.

BE IT FURTHER RESOLVED that this process shall begin with the 2020-2021 fiscal year.

DRAFT

SUMNER COUNTY GOVERNMENT OUTSIDE AGENCY FUNDING REQUEST

The instructions detailed below are for any outside agency that is requesting funding assistance from Sumner County. These instructions must be complied with in order for the funding request to be considered by the Sumner County Board of County Commissioners in the upcoming fiscal year budget. Upon completing the “Outside Agency Funding Request”, a statement must be signed by the person submitting the application certifying the accuracy of the information being submitted and agreeing to allow Sumner County Government, at any time, to review the organization’s books and records upon request.

All requests, with required documentation, must be received by the Finance Department no later than 4 p.m., March 1, 2019.

Once the annual budget is approved by the Sumner County Board of County Commissioners, a notice of all approved nonprofit appropriations will be placed in the county newspaper. Thirty days after publication, a request for one half (1/2) of the annual appropriation amount may be submitted to the finance department. The second half of the appropriation may be requested after January 1; all appropriations must be requested no later than June 15 of the fiscal year for which it was approved. Before any payments can be made, as required by state statute, someone within the organization must “file with the county clerk a copy of an annual report of its business affairs and transactions, which includes, but is not limited to, a copy of an annual audit, a description of the program that serves the residents of the county, and the proposed use of county assistance...Any non-profit organization that desires such financial assistance may file, in lieu of the annual audit, an annual report detailing all receipts and expenditures...Such report shall be prepared and certified by the chief financial officer of such nonprofit organization.”

AUTHORIZED ORGANIZATIONS

Sumner County Government is authorized, by state statute, to provide funds to two types of outside agencies: nonprofit charitable organizations and nonprofit civic organizations.

“A nonprofit charitable organization is one in which no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder or individual and that provides services benefiting the general welfare of the residents of the county.” The county’s legislative body has determined that any such services must be provided year-round for an organization to qualify for an appropriation.

A nonprofit civic organization is defined as a civic organization exempt from taxation pursuant to Section 501(c)(4) of the IRS code. A nonprofit civic organization must operate “primarily in the county for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the county by promoting industry, trade, commerce, tourism and recreation by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises to locate in or remain in the county.”

If the organization does not fit into one of these two category types, the organization is not statutorily eligible to receive county funds.

THE FOLLOWING ITEMS MUST BE SUBMITTED BY NONPROFIT CHARITABLE ORGANIZATIONS OR NONPROFIT CIVIC ORGANIZATIONS

1. A completed application (pages 3-7 of this document)
2. A copy of the organization's most recent financial statement(s), including a balance sheet, a summary of operations, and an audit if available (indicate basis of accounting). If audited financial statements are not available, the un-audited financial statements must be certified by the organization's chief financial officer.
3. A copy of the IRS letter recognizing the organization as a nonprofit organization, or a copy of the state solicitation letter for the organization
4. The organization's budgeted and actual financial information in the format requested below
5. Any additional explanations for which there is not sufficient space on the "Outside Agency Funding Request Application"

If the organization serves a multi-county area, the submitted records should reflect Sumner County revenues and expenses separately from other counties.

The records that are submitted to Sumner County Government to provide information regarding the organization's funding request will be open for public inspection.

FINANCIAL INFORMATION REQUESTED FROM CALENDAR YEAR AGENCIES

1. The following items must be provided:
 - A. Budgeted revenues and expenses for the prior calendar year
 - B. Actual revenues and expenses for the prior calendar year
 - C. Budgeted revenues and expenses for the current yearExample: A request due to Sumner County on March 1, 2019 will need:
 - a) 2018 budgeted amounts, b) 2018 actual amounts, and c) 2019 budgeted amounts
2. When listing sources of funds, a detailed breakdown must be given. Categorize funding separately for city, county, grants, program fees, private donations, etc.
3. When listing uses of funds, a detailed breakdown must be given. Item descriptions must provide adequate information to demonstrate the intended use of funds.
4. If the organization pays salaries, a salary schedule must be included that details job titles, names, and amounts paid. This information is to be presented for the periods as listed above.
5. Beginning cash balances should be disclosed for both years identified in item 1 above.

FINANCIAL INFORMATION REQUESTED FROM FISCAL YEAR AGENCIES

1. The following items must be provided:
 - A. Budgeted revenues and expenses for the current fiscal year
 - B. Actual revenues and expenses for the current fiscal year (estimate, if possible, for incomplete months)
 - C. Budgeted revenues and expenses for the upcoming fiscal yearExample: A request due to Sumner County on March 1, 2019 from an organization with a fiscal year-end of June 30, 2019 will need: a) budgeted amounts from 7/1/2018 through 6/30/2019; b) actual amounts from 7/1/2017 through 6/30/2018, and c) budgeted amounts for 7/1/2019 through 6/30/2020.
2. The information requested in items 2 through 5 under calendar year agencies is also needed for fiscal year agencies.

SUMNER COUNTY GOVERNMENT OUTSIDE AGENCY FUNDING REQUEST APPLICATION

Fiscal Year 2020

GENERAL INFORMATION

Legal name of organization applying: _____
(Should be same as on IRS determination letter and as supplied on IRS Form 990)

Executive Director: _____ E-mail address: _____

| Primary Contact | Alternate Contact |
|-----------------|-------------------|
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Phone: _____ | Phone: _____ |
| E-mail: _____ | E-mail: _____ |

Address (*principal administrative office*): _____

City/State/Zip: _____

Phone number: _____ Fax number: _____
(include area code) (include area code)

Number of Paid Staff Members: Full-Time _____ Part-Time: _____

List of current Board of Directors and Officers:

List any previous support from Sumner County in the last three years:

| Summary of Program, Project, or Service <i>(Attach additional information if necessary)</i> | | |
|---|---|---|
| Summary of Objectives Achieved | Number of Community Members Impacted | Measured Outcomes of Program/Project/Service |
| | | |

How many people are served by the organization? _____

Geographic Area Served: _____

County Resident Percentage: _____ City Resident Percentage: _____

BUDGET INFORMATION

Current Annual Operating Budget: \$ _____ Amount Requested: \$ _____

If this request reflects an increase in support amount from previous year, please explain:

Does organization operate on a calendar year or fiscal year (if fiscal year, give the beginning/ending months) _____

Does the organization’s volunteer board approve the annual budget and review regular financial reports? Yes No

If no, explain.

Purpose for funds requested: Project General Budget

A. Expenses: Include the total amount for each of the following budget categories.

| | Amount Requested From County | Total Projected Expenses |
|--------------------------------------|---|--|
| Salaries | \$ | \$ |
| Consultants/Professional Fees | \$ | \$ |
| Insurance | \$ | \$ |
| Supplies | \$ | \$ |
| Equipment | \$ | \$ |
| Rent | \$ | \$ |
| Utilities | \$ | \$ |
| Maintenance | \$ | \$ |
| Marketing | \$ | \$ |
| Other (specify) | \$ | \$ |
| | <i>Total Amount Requested:</i> \$ | <i>Total Projected Expenses:</i> \$ |

Additional Income Sources: List amount of funds requested and received from other income sources below. List all income sources, amounts requested, and amounts received. If needed, please attach a separate sheet of paper.

| Additional Income Sources | | | |
|----------------------------------|------------------------|---|--|
| Income Sources | Amount Received | Percentage of Total Project Budget | Percentage of Total Organizational Budget |
| City Government Grants | | | |
| State Government Grants | | | |
| Federal Government Grants | | | |
| Foundation Grants | | | |
| Corporate Grants | | | |
| United Way | | | |
| Individual Contributions | | | |
| Earned Income | | | |
| Interest Income | | | |
| In-Kind Support | | | |
| Other Income | | | |
| Other Grants | | | |

Audit Information: Is your organization audited annually? Yes No

If yes, please attach the organization’s audit reports from the preceding two (2) years to this application.

PROJECT INFORMATION

If applicable, fill in program or project objectives below:

| | | |
|--|---|------------------------------------|
| Program/Project Name: <hr/> | Program/Project Time Frame: <hr/> | |
| Projected Outcomes (<i>What is the program or project's effect on community during or after the program or project?</i>) <hr/> | Short-Term Outcomes <hr/> | Long-Term Outcomes <hr/> |

Other comments:

I hereby certify, to the best of my knowledge and belief, that the information submitted with this request is accurate and that the attached budget was approved by our governing board on _____. The board also agrees to allow Sumner County officials to review the books and records of this agency should they so desire. The undersigned is authorized to sign and bind the organization.

Date

Signature

Title

Please contact Jessica Allison (615) 451-6033 if you have questions related to this application. **Return this form, with required documentation, to the Finance Department no later than 4:00 p.m., March 1, 2019.**

SUMNER COUNTY FINANCE DEPARTMENT
ATTN: JESSICA ALLISON
355 NORTH BELVEDERE DRIVE
ROOM 302
GALLATIN, TN 37066

NON-PROFIT ORGANIZATION

| | Total FY 2017/2018 | % to Total | Projected FY 2018/2019 | % to Total | Budget FY 2018/2019 | % to Total | Budget FY 2019/2020 | % to Total | \$ Variance of 2018/2019 Budget from Total FY 2017/2018 | \$ Variance of 2018/2019 Budget from Projected FY 2018/2019 |
|--------------------------------------|-----------------------|---------------|---------------------------|---------------|------------------------|---------------|------------------------|---------------|---|---|
| Full-time Employees | | | | | | | | | - | - |
| Part-time Employees | | | | | | | | | - | - |
| Full-time Equivalents | | | | | | | | | - | - |
| Number of Sumner Co Residents Served | | | | | | | | | - | - |

REVENUE

| | | | | | | | | | | |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|------|------|
| Sales | | | | | | | | | | |
| Contributions/Fundraising | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | \$ - | \$ - |
| Federal/State Grants | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Local Grants | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| County Funding | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Endowment | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Corporate/Board Funding | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Service Fees | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Other Revenue | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| TOTAL REVENUE | \$ - | #DIV/0! | \$ - | \$ - |

Revenue per Full-time Equivalent

| | | | | | | | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|
| #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|

EXPENDITURES

| | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|------|------|
| Salaries and Wages | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | \$ - | \$ - |
| Employee Benefits and Taxes | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Professional Fees and Contract Services | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Occupancy (rent, utilities, maintenance) | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Legal and Accounting | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Materials and Supplies | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Transportation | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Marketing and Advertising | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Insurance | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Communications | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Printing and Copying | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Staff training and Development | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Conferences, Meetings, and Travel | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Specific Assistance to Individuals | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Miscellaneous Expenses | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| Other Expenses | #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | - | - |
| TOTAL EXPENDITURES | \$ - | #DIV/0! | \$ - | \$ - |

Cost per Full-time Equivalent

| | | | | | | | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|
| #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|

Cost per Resident

| | | | | | | | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|
| #DIV/0! | | #DIV/0! | | #DIV/0! | | #DIV/0! | | | | |
|---------|--|---------|--|---------|--|---------|--|--|--|--|

BALANCES

| | | | | | | | | | | |
|--------------|--------|--|--------|--|--------|--|--------|--|--|--|
| Cash on Hand | | | | | | | | | | |
| Cash in Bank | | | | | | | | | | |
| Investments | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL | \$0.00 | | \$0.00 | | \$0.00 | | \$0.00 | | | |



Community Enhancement Grant Application

All agencies requesting funding must complete and return this application to the City of Gallatin, Finance Department, 132 West Main Street, Room 106, Gallatin, TN 37066 no later than close of business on February 28th of each year. If February 28th falls on the weekend, the application will be due the following Monday by close of business.

1. Name of Agency: _____

2. Address: _____

3. City: _____ Zip Code: _____

4. Phone: _____ Fax: _____

5. Name of Agency Director: _____

6. Email Address for Agency Director: _____

7. Please provide the following as attachments to this document:

- Most recent annual audit or financial review
- Documentation 501(c)3 or other designation
- Documentation Charter with the Tennessee Secretary of State
- Documentation Charitable Solicitations permit/letter
- Most recent year-end Balance Sheet (prior yr)
- Most recent year-end Profit and Loss Statement (prior yr)
- Current yr budget including all sources & amounts of funding
- Proposed budget including all sources & amounts of funding
- Most recent Board of Directors Roster including their contact information, work affiliation and dates of term.

Signatures

We certify that all information included in/with this application is true and current.

CEO/Agency Director: _____ Date: _____

Board Chair: _____ Date: _____

Board Treasurer or CFO: _____ Date: _____

For City of Gallatin Use Only

Date Received: _____ Time Received: _____ Received by: _____



Agency's Funding Request from the City \$ _____

Agency's Annual Operating Budget: \$ _____

Number of years this agency has been in operation: _____

Number of paid full-time staff: _____

Number of paid part-time staff: _____

Name of program contact person (if different from agency information): _____

Address (if different from agency information): _____

Phone: _____ Fax: _____

Email address for program contact: _____

Vision/Mission/Purpose of your agency

Specific Service provided by agency in Gallatin

Expected Short-term Impact

Expected Long-term Impact

Is there another organization in Gallatin or Sumner County providing the same or similar services?

Yes _____ No _____

How many clients do you currently serve?

Why do you need funding from the City of Gallatin?