

Non-Profit Organization (NPO) Grant Funding

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a grey triangle in the top-left corner and a grey triangle in the bottom-right corner.

KEY PARTICIPANTS

Finance Department

- Oversees entire funding process and serves as point of contact
- Monitors contract compliance
- Processes all payments

Community Partners Bureau

- Requested to complete CPB evaluation form of appointed NPO

City Council

- Evaluates applications for respective organizations (Council Liaisons)
- Provides final funding decisions

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FISCAL YEAR 2023 NPO FUNDING PROCESS

May 31, 2022

- Distribute instruction letters and application materials to non-profit organizations

June 17, 2022

- Grant applications due
- Begin review of financials for all NPO funding applicants

June 23, 2022

- Distribute applications to all members of Council (via agenda packet)

June 28, 2022

- Organizations present to Council

July 1, 2022

- Financial reviews complete, any issues or concerns addressed with Council during Budget Retreat

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FISCAL YEAR 2023 NPO FUNDING PROCESS CONTINUED

August 2022

- FY23 NPO funding discussed at Budget Retreat
- Once funding amounts are determined, coordinate with appropriate Town Staff to prepare funding agreements, communicate with Legal
- Communicate determined funding levels to NPO funding applicants

September 2022

- Complete agreements and resolutions, present to Council for approval

October/November 2022

- First 50% funding payment issued to NPOs who have fully executed agreements

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October 31, 2022

- NPOs submit their 4th and final Quarterly Grant Report for the previous fiscal year (FY22)

Q1-Q4, 2022-23

- NPOs submit their Quarterly Grant Reports to Finance

May 30, 2023

- Second 50% funding payment issued to NPOs who have turned in all appropriate documentation to-date

What revenue source are our comparator cities using to fund their grants?

Our comparator cities utilize a variety of revenue sources to fund service grants, including:

- Community Development Block Grants (CDBG) received from the US Department of Housing and Urban Development (HUD)
- General Fund
- Tourism (Hotel) Fund

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How is the total annual grant funding determined, and how do our comparator cities determine a specific dollar amount to fund each organization?

Our comparator cities utilize several different tools to determine the total annual funding amount:

- CDBG Public Services cap (no more than 15% of CDBG funds may be used, set by HUD)
- Review of previous year's budget
- Fixed percentage of General Fund budget from previous year (i.e., 0.5% of total fund, \$2 per capita allocated)

Specific dollar amounts for each organization is similarly determined from city to city. Generally, our comparator cities follow this process:

- Applicants make a funding request with their initial application
- A board or committee reviews applications and agrees with requested amount or proposes a new figure based on services provided
- Staff brings recommended dollar amounts to Council to make ultimate funding decision during annual budget process
- We also learned that if a social service organization can demonstrate a quantifiable benefit to a city's department, then it may be integrated into the department's annual budget.
 - Ex. The Town of Flower Mound's Environmental Services Department provides funding to Keep Flower Mound Beautiful

Are NPOs supported in ways other than direct funding grants?

Generally, our comparator cities are limited in formally supporting NPOs beyond direct funding grants:

- Staff supports NPOs implement reporting procedures in compliance with the city or HUD requirements
- Staff supports organization by promoting messaging on city run media channels (social media, website, newsletters, etc.)
- Help NPOs connect with other groups in community supporting joint initiatives or resources
- Discounts on renting city owned facilities for meetings

What is the process to determine the eligibility of an NPO?

Our comparator cities have similar requirements as the Town when determining eligibility:

- Programs should be focused on benefitting residents within the city
- Must be a tax-exempt organization
- Must be in good standing with the State of Texas and IRS
- Must be in good standing with the city (property taxes up to date, successfully fulfilled all prior contractual obligations)
- Some cities have a minimum operation time requirement before requesting funding

Do selected NPOs enter into a defined agreement with the city?

Most of our comparator cities require their NPOs to enter into defined agreements with the city. The one city that reported not having this requirement require the following:

- Complete mid-year report detailing accomplishments
- Funding is distributed on a reimbursement basis only

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Participating Comparator Cities Summary

	Managing Department	Funding Source	Annual Funding Methodology	Additional Support	Formal Agreement in Place
Addison	Finance	Hotel and General Fund	Historic reference/ available funds	Marketing on city platform	Yes
Allen	Community Enhancement	CDBG	15% of CDBG funds	Financial reporting implementation	Yes
Carrollton	Finance	CDBG	15% of CDBG funds	Unknown	Yes
Coppell	Finance	General Fund	Historic reference/available funds	Unknown	Unknown
Flower Mound	Financial Services	General Fund	<.5 percent of General Fund from previous year	Marketing on city platform	No; funds released on reimbursement basis
Irving	Housing and Redevelopment	CDBG and General Fund (as needed)	15% of CDBG funds; supplemental support from GF as needed	Access to community network	Yes
Lewisville	Neighborhood Services	CDBG and General Fund	15% of CDBG funds; fixed dollar amount (FY23 increase to \$195k)	Access to community network	Yes
McKinney	Housing and Community Development	General Fund	Historic reference/ available funds	Promotion through Community Dev Corp	Yes
Plano	Neighborhood Services	Tourism and General Fund	Historic reference/current available funds; fund created with \$2 GF monies per capita	Discounts on city-owned facilities	Yes

Staff requests **direction from Council**.

Does Council wish to amend Addison's current grant funding process?

Additional Notes

- State statute - Addison may not expend more than 15% of the Town's annual hotel tax revenue on art related events and activities
- Addison has consistently maintained a closed process for applications due to having a limited number of staff available to review more applications beyond what we currently receive