



I. PURPOSE

The purpose of this policy is to outline a framework to evaluate requests for monetary contributions to outside agencies with the intent of prudently administering taxpayer funds.

II. SCOPE

This policy applies to all monetary and in-kind contributions to outside organizations.

III. POLICY

A. Criteria

- i. All requests for monetary contributions to outside agencies shall align with at least one of three areas:
 - a. **Complementary Service** – the organization proposes to provide a service to offset services provided by the Town and that will provide an enhanced benefit to the Town
 - b. **Demonstrable Benefit** – the organization proposes to provide a service that the Town might not otherwise provide, but that provides a favorable impact and benefit to the community
 - c. **Service the government could provide but does not** – the organization proposes to provide a service that the Town would likely provide to its citizens

The following table provides examples of how the proper allocation of public funds relates to the services provided by the government.

**EXAMPLES OF WAYS TO DOCUMENT BENEFITS
ASSOCIATED WITH CHARITABLE SUPPORT**

Relationship To Government Programs	Example	Nature of Benefit(s)
1. Complementary service	Donation to the Tree Foundation in return for agreement to replace street trees that agency removes because of disease or old age	Tree Foundation has specialized knowledge about trees suitable for area. Tree Foundation shares goal of populating area with more tree, thereby saving energy and enhancing property values for residents. Other grants received by the Tree Foundation mean the government and those it serves save money on replacing trees.
2. Demonstrable benefit	After-school programs	Such programs reduce the need for law enforcement activities in the area. Programs promote public safety and law-abiding youth in a positive, cost-effective manner.
3. Service the government could provide but does not	Homeless shelter and associated placement programs	Such programs help end the cycle of homelessness. Reducing homelessness is one of the government's housing element goals.

B. Eligibility

- i. The following organizations shall **not** be eligible for monetary contributions;
 - a. Religious or political groups;
 - b. Groups that discriminate on the basis of race, color, gender, religion, disability, sexual orientation, marital status, or national origin;
 - c. Individuals;
 - d. For-profit (taxable) entities;
 - e. Groups, as determined by the Town Council, that represent purposes counter to those in the best interests of the citizens.
- ii. Applicants must have a primary place of business in the Town of Warrenton and/or provide public benefit to enhance the quality of life for citizens of the Town.
- iii. A monetary contribution awarded to an outside agency shall not constitute a precedent for contributions of any amount in subsequent years.
- iv. Organizations must remain in good standing with the Town by maintaining compliance with all applicable Town ordinances and remaining current on any billings for fees or services.

- v. Organizations must maintain their nonprofit status throughout the term of the contribution. Should nonprofit status be revoked by the IRS, or if the nonprofit discontinues operations, contributed amounts must be returned to the Town.
Should the organization become a party in any litigation against the Town, all funds awarded under this policy shall be suspended.
- C. **Process** – the evaluation and award of monetary contributions to outside agencies shall be part of the Town’s annual budget process.
- i. Outside organizations must submit their request for funding to the Town no later than December 31st for the fiscal year beginning the following July. An example of the Outside Organization Funding Request (and required supplemental documentation) that must accompany any request is attached as Exhibit A.
 - ii. Staff may request additional information to aid in determining eligibility or programmatic viability.
 - iii. As part of its annual budget process, the Town Council shall examine the funding requests in light of the benefit(s) provided to Town citizens as detailed in Item III.A.i above.
 - iv. The following principles should guide any contributions to outside organizations.
 - a. Grants without restrictions (unrestricted grants) should be avoided;
 - b. Performance-based contracts for specific services should be considered as the appropriate vehicle for any funding;
 - c. Organizations receiving funding will be provided information about any conditions, restrictions, or other requirements related to their funding at the time that they are notified of Council’s appropriation.
 - v. Only complete applications will be considered. All applicants will be notified no later than February 15th of their application status. Incomplete applications will be given no more than ten (10) calendar days from the date of notification of the deficiency to provide missing information or to provide clarification at the request of Town staff.
 - vi. Organizations that are funded will be required to execute an agreement with the Town that will outline any expectations for both parties.
 - vii. The Town Manager will provide the Town Council with a total amount of available funding for contributions to outside agencies. The allocation of this amount among applicants shall be at the sole discretion of the Town Council.



Town of Warrenton

Fiscal Year 20XX

Outside Organization Funding Request

PLEASE TYPE – ONLY TYPED SUBMISSIONS WILL BE CONSIDERED

APPLICANT INFORMATION

Organization Name			
Primary Contact Person			
Phone Number			
Email Address			
Mailing Address			
Website			
Executive Director			
Are you a 501(c)3?			
If you are not a 501(c)3, have you applied?			
External Auditor or Financial Reviewer			
Organization Fiscal Year	From:		To:

FISCAL YEAR 20XX BUDGET

Total FY 20XX Budget for your organization	
Amount Requested from Town of Warrenton	
Amount Requested from Other Sources (please detail all sources and amounts; attach additional sheets if necessary)	

ORGANIZATIONAL SERVICES INFORMATION

Please describe the services intended to be funded by the Town’s contribution.		
For each Fiscal Year listed below, please provide the number of citizens served:		
Fiscal Year	Total Town of Warrenton	Total Served
20XX-1		
20XX-2		
20XX-3		

PRIOR YEAR FUNDING INFORMATION

For each Fiscal Year listed below, please list the amount of outside funding:		
Fiscal Year	Town of Warrenton Funding	Other Outside Funding identified by Source – <i>use additional sheets if necessary</i>
20XX-1		
20XX-2		
20XX-3		

IMPORTANT REMINDERS:

Please provide the following documentation in support of your request:

1. Cover Letter, including Mission Statement, description of services provided, and description of how any funds received from the Town of Warrenton were used in the prior year, including illustrations of successes with specificity.
2. Proposed Budget
3. Copy of IRS 501(c)3 Tax Exempt Status Determination
4. Current Listing of Board of Directors
5. Copy of prior year external audit; organizations with total funding less than \$750,000 may submit a prior year independent financial review.
6. Copy of most recent IRS Form 990
7. Copy of most recent annual report

An electronic version of this form is available upon request from staff@warrentonva.gov

This request is due by **December 31, 20XX**. You may submit your request electronically to staff@warrentonva.gov or mail to:

Town of Warrenton - Finance Department
 18 Court Street
 Warrenton, VA 20186