

Nonprofit Partnership Funding Policy

Purpose

The purpose of this policy is to promote partnerships between the Town of Hillsborough and non-profit organizations for the benefit of Hillsborough residents, to equitably and efficiently allocate resources to strengthen organizations, and to provide sound and clear methods for decisions.

Policy

- Policy Statement

The Town of Hillsborough has no statutory requirement to fund non-profit organizations or other similar community organizations. Hillsborough, however, may elect to provide funding to non-profit organizations to carry out specific programs or services that serve a public purpose and are vital to the well-being of the town and its residents. When reviewing each application, the Board of Commissioners will carefully consider the circumstances surrounding the request and determine the urgency of needs and its value to Hillsborough. Funded requests will need to highly align with the town's strategic objectives and support the Hillsborough community. Requests for funding for direct staffing costs and/or requests for services that duplicate services that are already available to the public through other means will be given lower funding priority. Requests for funding from programs or services receiving monies from other town funding sources (e.g., Tourism Board, Tourism Development Authority, etc.) will also be given a lower funding priority, unless strong justification and unique circumstances apply.

- General Funding Assistance

The Nonprofit Partnership Program is intended to provide time-limited funding for qualified agencies that provide services the town is legally permitted to fund. A funding award in one year is not a guarantee of future funding. Agencies should refrain from requesting funding that primarily supports permanent personnel or other on-going expenses, and any overhead expenses should be in alignment with the town's strategic interests. Eligibility does not guarantee funding. The funding amount may differ from the amount requested. Priority will be given to applications that most closely align with the Board of Commissioner's priorities in a given funding cycle.

- Funding Amount

As part of budget planning, staff will reserve a portion of the General Fund's operating budget for Nonprofit Partnerships. The Board of Commissioners will finalize funding amounts through the adoption of the budget prior to the start of the fiscal year.

- Eligibility

Organizations eligible to apply for funding are those that have a majority of Hillsborough residents in their service population and/or conduct a significant amount of their activities and programs within the town limits of Hillsborough. Services or programs for which town funding is being requested must further the town's strategic priorities and interests through alignment with the town's strategic plan and/or comprehensive sustainability plan.

- Application Process

Requests for funding will only be accepted during the town's annual budget preparation process. Applications will be available in January of each fiscal year and available on the Town of Hillsborough website.

The applications will collect information related to the following:

- An IRS tax-exempt letter or other documentation confirming 501(c)(3) or 501(c)(4) non-profit status or documentation for that of a fiscal sponsor.
- A list of all board members (name, term, and office).
- A program or service description and copy of the proposed program budget.
- A list of other sources of revenue that have been requested to support the project.
- The number of Hillsborough residents that are expected to receive direct services from the program during the fiscal year as a result of town funding.
- Renewal requests shall indicate the estimated number of Hillsborough residents who reside within the corporate limits and are serviced during the funded period.
- Proposals that request funding for programs that replicate services already available in the town must clearly demonstrate that they will address an unmet service demand, or that they will deliver comparable services at a significantly lower unit cost than the currently available services.

- Review and Funding Process

Applications that are received after the deadline or do not provide the required information as set forth herein may be deemed ineligible for funding. Requests will be presented to the Board of Commissioners for funding consideration during their annual budget process.

Organizations will be notified of the date the Board of Commissioners will discuss requests to provide an opportunity to be present during those discussions.

After board approval of the annual budget, organizations will be notified of the outcome of their request. Board-approved funding awards will be effective for one year, aligning with the town's fiscal year of July 1 through June 30, unless an exception is made by the Board of Commissioners.

- Distribution of Funds

An agency must enter into a contract with the town prior to receiving funding approved by the board. The contract will describe among other items, the program(s) or service(s) to be provided, the funding distribution schedule, and other terms and conditions. If or where performance measures, milestones, service levels, and/or other relevant metrics help monitor the efficiency and effectiveness of funded programs, then they may also be included in the contract.

Funds distributed by the town may only be spent as indicated in the Nonprofit Partnership application for which the funds were awarded, or as otherwise approved by the board. The town reserves the right to recapture funds not used according to this policy and nonperformance may impact future funding.