

Outside Agency Funding Policy and FY18-19 Budget Process

Beth Schrader

Chief Strategy & Budget Officer



Office of Strategy & Budget
New Hanover County

November 7, 2017

Intent of Policy and Process Changes

Consistency

Transparency

Accountability

Follow Best
Practices

Alignment w/
Strategy



General Eligibility Requirements

Not-for-Profit Status

- Must be a nonprofit (501c3 / 501c6) or governmental entity
- Provide supporting IRS and North Carolina documentation

Operational History

- Minimum of two years prior operation (as of December 31, 2017)

Organizational Stewardship

- Incorporated with an active governing board / board of directors
- Disclosure of any conflicts of interest
- Not have revenue suspended by NC and no overdue taxes

Non-Discrimination

- Programs services must be available to all NHC residents who meet the eligibility criteria for that program / service



General Eligibility Requirements

Financial Controls

- Adequate financial management system in place to maintain effective control and accountability over all funds, property and other assets
- Able to provide sufficient backup documentation

Accountability

- Must meet all accountability standards set by the NHC Board of Commissioners and as required by law

Complete Application

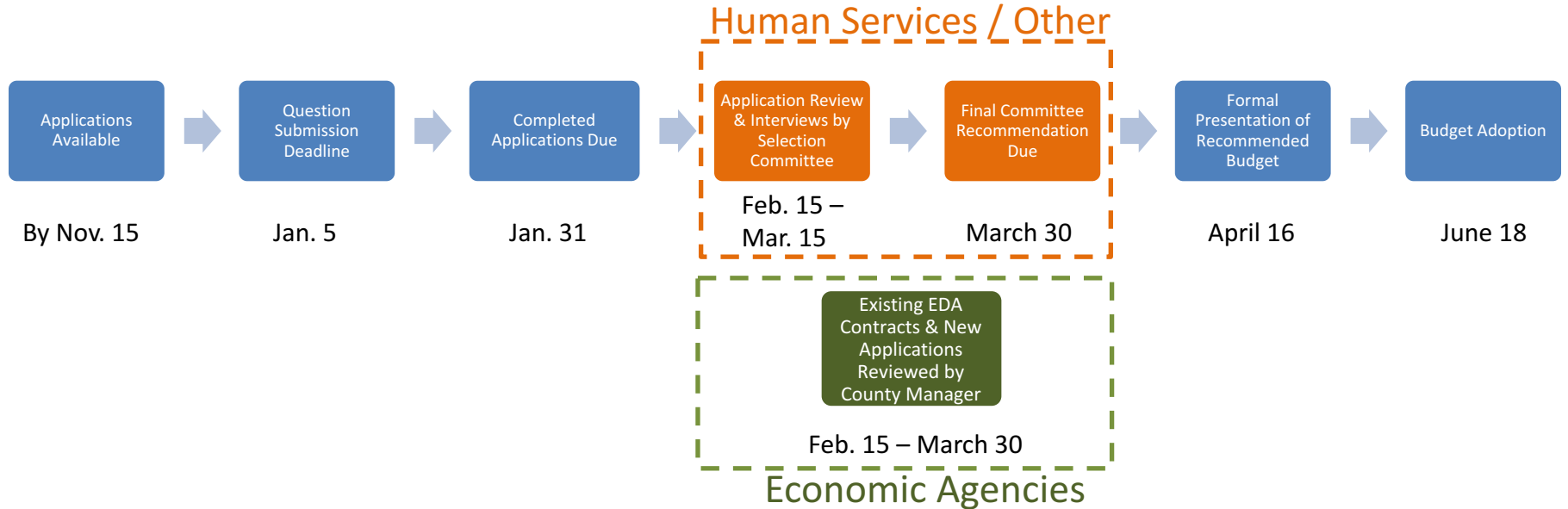
- Application is submitted by deadline, is accurate, and all components of the application are provided

Independently Meets Criteria

- Nonprofit must meet requirements on own
- May not use a funding agent or other third party arrangement to meet eligibility criteria



FY19 Outside Agency Budget Timeline



Economic Agency Process

What Qualifies as an Economic Agency?

- Paid to recruit / grow / retain businesses in NHC
- Primarily focused on improving tax base or creating jobs
- Contributes to creating community wealth (e.g. brings visitors / \$\$ into local economy)

A jobs skills or job readiness program would fall under Human Services / Other

How Much Will Be Available to Allocate Annually?

No specified budget maximum/minimum



Economic Agency Process

Who Will Make Recommendations for Funding?

County Manager will review existing multi-year contracts and new funding requests and make recommendations in Recommended Budget for BOCC approval

Are There any Limitations?

- No specified funding or eligibility time limits
- No limitations on amount of funding allocated per agency

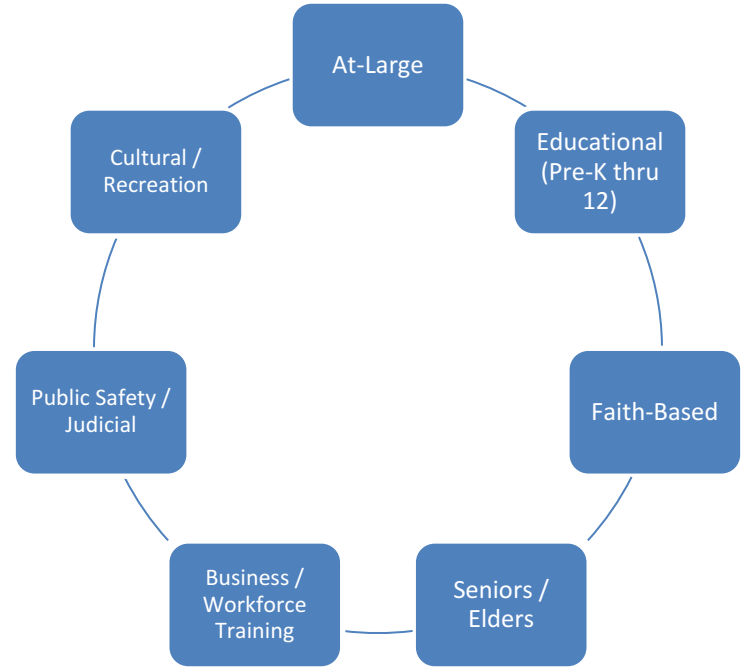


Human Services / Other Agency Process

How Will Recommendations for Funding Be Made?

BOCC will appoint 7 person committee:

- Citizens apply for the committee
- Applicants must disclose current board memberships and/or employment with non-profit agencies in their application
- If an agency directly affiliated with an appointee applies for funding, the appointee will be recused from that funding deliberation / decision
- Appointment for 3 year term, staggered
- Maximum of 2 consecutive terms



Office of Strategy & Budget

New Hanover County

November 7, 2017

Slide 8



Human Services / Other Agency Process

How Much Will Be Available to Allocate Annually?

- BOCC will provide an allocable budget to the 7 person committee

The Committee will....

- Review and score outside agency requests
- Recommend agencies to fund and amount per agency (total not to exceed allocable budget)
- Provide feedback to agencies

How Will the Committee's Recommendations Be Communicated?

- Recommendations made by the committee will be included in the County Manager's Recommended Budget (both Requested and Recommended amounts)
- Supporting documents will be shared with BOCC

Are There any Limitations?

- 3 years funding eligibility – then BOCC evaluates if move to vendor status or ineligible for 3 years



What Does Vendor Status Mean?

- Agency funding moves into continuing (re-occurring) budget
- NHC would contract for specific services / programs
- Relationship / contract managed by the department purchasing services
- Flexibility to respond to changing demands



Other Frequently Asked Questions?

What happens if the program / service is not selected for vendor status after receiving funding for 3 years?

- The program / service is ineligible to receive funding for 3 years

Can an agency apply for funding for more than one program / service?

- Yes. An agency can apply for funding for multiple programs / services in a given year or over multiple years
- The 3 year funding eligibility is by program / service NOT by agency



Requirements if Funding Approved

- Signed Contract or Memorandum of Understanding
- December 1 and June 1 Reporting Requirements
 - Progress against goals / measures
 - Extent to which / how county funds spent
 - Action plan to remedy, if not on target
- Audited (\geq \$25K received) or compiled ($<$ \$25K) financial statements prepared by professional and board approved
 - 2 year comparative data and any related-party transactions identified
- May be subject to a program evaluation



Questions?

NHC Office of Strategy and Budget

Beth Schrader – bschrader@nhcgov.com

Scott Steinhilber – ssteinhilber@nhcgov.com

