

Item \_\_\_\_\_

Moved by: \_\_\_\_\_

Prepared by: Craig E. Willis

Seconded by: \_\_\_\_\_

Reviewed by: Craig E. Willis

RESOLUTION ESTABLISHING POLICIES AND GUIDELINES FOR THE APPROPRIATION AND DISBURSEMENT OF COUNTY FUNDS IN FY 2017 TO GOVERNMENTAL ENTITIES AND NON-PROFIT CIVIC AND CHARITABLE ORGANIZATIONS. SPONSORED BY COMMISSIONER REGINALD MILTON AND COMMISSIONER WILLIE F. BROOKS, JR.

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WHEREAS, There are communities throughout Shelby County with dire needs for assistance from nonprofits and community-based organizations who have for years provided invaluable assistance within these areas and often times offer the best the best medium to address the communities' essential needs; and

WHEREAS, Shelby County Board of Commissioners reside in and have strong ties at the grassroots level with the citizens who live within their respective districts; and

WHEREAS, Each District served by the Shelby County Board of Commissioners has unique needs that may require support from additional entities including that of Shelby County Government; and

WHEREAS, These needs may arise at various times during the fiscal year and become time-sensitive, thus requiring funding flexibility and the ability to assist organizations and various entities when all other sources have been exhausted; and

WHEREAS, Tennessee Code Annotated, Section 5-9-109, authorizes the Shelby County Board of Commissioners to make appropriations to various nonprofit charitable organizations; and

WHEREAS, Pursuant to Tennessee Code Annotated Section 5-9-109, special requirements apply to the funding of nonprofit civic and charitable organizations; and

WHEREAS, The County Commission also wishes to create a Community Enhancement Program modeled after the one created by the State Legislature pursuant to 2007 Tennessee Publication Acts, Ch. 603, Section 68; and

WHEREAS, The FY 2017 Operating Budget includes \$1,300,000.00 of funds appropriated but not allocated to specific entities with the intent that equal increments will be available to each Commissioner to recommend grants to be approved by the Shelby County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the policies and procedures enumerated herein are approved and adopted.

BE IT FURTHER RESOLVED, That amounts included in the Operating Budget as grants to non-profit and charitable organizations but not allocated to specific entities shall be allocated in equal increments per Commission District for the disbursement of grants. Such grants shall be approved to specific entities by resolution of the County Board of Commissioners.

BE IT FURTHER RESOLVED, That all grant appropriations shall promote the general welfare of the residents of Shelby County.

BE IT FURTHER RESOLVED, That community enhancement grants shall only be available to support:

- (1) Public safety activities, including, but not limited to, those related to local law enforcement, fire and life safety, programs designed to address local drug programs, advocacy for children and other vulnerable populations, and other criminal justice programs;

- (2) Cultural activities, including, but not limited to, those related to enhancing opportunities provided by museums, libraries, and historic sites, and activities supporting other local cultural endeavors; or
- (3) Community development activities, including, but not limited to, those related to serving the unique needs of various segments of the population, such as the elderly and youth, through supporting program offerings provided through local recreational and community facilities, senior citizens centers, boys and girls clubs, and the like as well as county and municipal infrastructure improvements such as road and bridge planning, construction and maintenance, pothole repair, and sidewalk repair and construction.

BE IT FURTHER RESOLVED, That community enhancement grand proceeds must be used for one (1) or more of the following purposes: programs, services, operating costs, equipment, construction, renovation and maintenance.

BE IT FURTHER RESOLVED, That the following definitions apply in distinguishing between non-profit charitable and non-profit civic organizations:

- (1) Non-profit charitable organization: means a charitable 501(c)(3) organization in which no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder or individual and which provides services benefiting the general welfare of the residents of the County.
- (2) Non-profit civic organization: Means a civic organizations exempt from taxation pursuant to 501(c)(4) of the Internal Revenue Code of 1954 as amended, which “operates 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.”

BE IT FURTHER RESOLVED, That the disbursement to non-profit civic or charitable organizations shall not be made until the individual non-profit civic or charitable organization has fully complied with the following conditions:

1. Any nonprofit organization that desires financial assistance from the county legislative body or the governing body of the county shall 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 the county assistance.
2. Such report will be open for public inspection during the regular business hours of the county clerk's office.
3. Any nonprofit organization that desires such financial assistance in an amount of \$25,000.00 or less may file, in lieu of the annual audit, an annual report detailing all receipts and expenditures, such as the most current IRS Form 990.
4. Such report shall be prepared and certified by the chief financial officer of such nonprofit organization.
5. Financial reports shall be available to fiscal officers of the county and shall be subject to audit under provisions of Tennessee Code Annotated, Section 4-3-304.
6. That said funds must only be used by the named non-profit charitable organization in furtherance of its non-profit charitable purposes benefitting the general welfare of the residents of Shelby County.
7. A community enhancement grant to a governmental or non-governmental agency or entity shall not be awarded until the recipient has filed with the County Commission and the Director of Finance and Administration a plan specifying the proposed use of such funds in accordance with the purposes enumerated herein and the benefits anticipated to be derived therefrom.
8. Once the governmental or non-governmental agency or entity, not including non-profit civic or charitable organizations, has expended funds for the proposed project and has provided the Director of Finance and Administration an accounting of the actual expenditure of such funds, including a report of the use and benefits of the expenditures and a statement that the report is true and correct in all material respects, the Director of Finance and Administration will reimburse the governmental or non-governmental agency or entity the amount allotted under the grant. Non-profit civic or charitable organizations can receive funds without an advance expenditure requirement.

BE IT FURTHER RESOLVED, That any appropriations to nonprofit organizations other than charitable organizations may be made only when notices have been published in a newspaper of general circulation in the county of the intent to make an appropriation to a nonprofit but not charitable organization, specifying the intended amount of the appropriation and the purposes for which the appropriation will be spent.

BE IT FURTHER RESOLVED, That all expenditures of grant funds shall be made only after approval of the expenditure by the Shelby County Board of Commissioners.

BE IT FURTHER RESOLVED, That the awarding of grants pursuant to this policy will be presented to the Shelby County Board of Commissioners on a monthly basis.

BE IT FURTHER RESOLVED, That, upon the Shelby County Board of Commissioners' approval of grand fund expenditures, the Office of the Chief Administrative Officer will prepare and execute the grant contract within 30 days per County policy as provided herein.

BE IT FURTHER RESOLVED, That any rules or procedures which may have been previously set forth in any resolution are hereby superseded by this resolution.

BE IT FURTHER RESOLVED, That the Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants for all amounts appropriated herein, and to take proper credit in their accounting therefor.

BE IT FURTHER RESOLVED, That this Resolution shall become effective in accordance with the Shelby County Charter, Article II, 2.06(B).

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Mark H. Luttrell, Jr.  
Shelby County Mayor

Date: \_\_\_\_\_

ATTEST:

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Clerk of County Commission

ADOPTED: \_\_\_\_\_