



Funding of Outside Organizations Policy

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Purpose: To provide for controls for requests for funding from outside organizations.

1.0 Purpose of the Funding of Outside Organizations Policy

- 1.1 This policy serves to set parameters and establish guidelines for the funding of outside organizations to ensure transparency, accountability, consistency, and adherence to best practices. This policy also establishes eligibility criteria for outside agencies and the required public process for consideration and allocation of funding by the Board of County Commissioners.

2.0 Scope

- 2.1 Non-profit organizations serve an important role in improving the quality of life for residents of Gilpin County by delivering services in a cost-effective manner through the use of partnerships.
- 2.2 To that capacity, the Board of County Commissioners (BoCC) approves annual budgets that may include appropriations for non-profit organizations. Any receiving organization must meet one of the following conditions:
 - 2.2.1 The organization must demonstrably contribute to meeting the County's strategic objectives or that are consistent with the goals and services of County government.
 - 2.2.2 The organization must provide for the delivery of services that the County either does not provide, that can be achieved in a more efficient or effective manner, or which enhance a County function or service.

3.0 Outside Organization Eligibility Criteria

- 3.1 Outside organizations and their respective program(s) must be a nonprofit or governmental entity.
- 3.2 All nonprofits shall verify their nonprofit status by submitting an Internal Revenue Service (IRS) tax exempt letter confirming 501 (c)(3), an IRS 990, 990N, or 990 EZ form, and a current Certificate of Registration from the Colorado Secretary of State.
- 3.3 Outside organizations must be incorporated and must not have had their revenue suspended by the Colorado Secretary of State or have overdue federal, state, or local taxes.
- 3.4 Outside organizations that receive or apply for funding must have been in operation for at least two years by December 31 of the year preceding the application deadline or the budget

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year preceding the current budget year. This requirement may be waived on a case-by-case basis via BoCC resolution.

- 3.5** Eligible organizations must have a governing board and submit a current board roster.
- 3.6** Program(s) and / or service(s) provided by outside organizations must be available to all Gilpin County residents who meet the eligibility requirements of the program(s) or service(s). All program(s) and / or service(s) must comply with state and federal statutes related to protected classes.
- 3.7** Outside organizations must provide a disclosure of any potential conflicts of interest.
- 3.8** Outside organizations must adhere to any accountability standards set by the BoCC and as required by State or Federal law. This includes complying with all financial and performance measurement requirements and reporting, terms of contracts and / or memorandums of understanding. Funds will not be released to outside organizations until all financial, performance, contract or memorandum, and deadlines are met. All deadlines for reporting and for delivery of any follow-up information will be clearly stated in writing and included in any agreement between the County and the outside organization.
- 3.9** Any outside organization that receives or is set to receive funding must meet all eligibility requirements, and it may not use a funding agent or other third-party arrangement to meet eligibility requirements.
- 3.10** Organizations must have a significant geographic interest in Gilpin County. Significant geographic interest as determined by the BoCC.

4.0 Funding Procedures

- 4.1** All funding of outside organizations must be evaluated, discussed, and awarded or appropriated by the BoCC as part of a public meeting. This can be done as either part of the annual budget deliberation and adoption process or as an agenda item at a regular or special meeting.
- 4.2** On or before July 1 of each year, the County shall release notice of a request for funding request submissions from outside organizations. Any organization that wishes to request funding must complete an Outside Organization Funding Application, and provide all required documentation by the advertised deadline for the annual budget consideration or the BoCC agenda deadline for mid-year requests. A copy of the Outside Organization Funding Application is attached to this policy as Appendix A.
- 4.3** Not all requests for funding will be accepted, or may be funded for less than requested. Unless extenuating circumstances exist, most requests should be brought before the BoCC for consideration as part of the annual budget and not as a mid-year appropriation.
- 4.4** The BoCC will approve final funding for all outside organizations.

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- 4.4.1 Applicants will be notified within thirty (30) days of budget adoption or midyear funding approval.
- 4.4.2 A revised scope of work and budget reflecting the final award amount will be required of outside organization that receive an amount that differs from the amount reflected in their application prior to contract execution.
- 4.5 An organization that is awarded funds must accept the funds by the completion of a contract agreement which must be signed by an authorized member of the organization and the County Manager or a designated staff person.
- 4.6 The contractual agreement must be signed by the outside organization and returned to the County no later than thirty (30) days from the date the contract was received by the outside organization. Failure to meet this deadline may result in funding awards being withdrawn.
 - 4.6.1 No major changes in activities, financing, or use of funds can occur after contract signing without the outside organization requesting and receiving approval for any changes in writing from the County Manager or a designated staff person.

5.0 Reporting and Monitoring

- 5.1 Related to the organization's scope of services included as part of the contractual agreement, all organizations approved for funding will be required to submit a financial and programmatic mid-year report by January 15 and a year-end report by July 15.
 - 5.1.1 The report must indicate the extent to which County funds have been spent and the goals and objectives are being achieved and / or have been achieved.
 - 5.1.2 If performance is not at the expected level, the agency must submit an explanation for the deviation and describe actions it will take to remedy the situation.
- 5.2 Annual Organization Financial Reporting.
 - 5.2.1 Any outside organization that receives \$25,000 or more of funding must submit a financial audit at its own expense. The audit must be conducted by a certified public accountant with two-year comparative financials. Additional information may be requested if required to understand the financial statements of the organization.
 - 5.2.2 Any outside organization that receives less than \$25,000 but more than \$2,000 must submit financial statements that have been prepared by an accounting professional and approved by the organization's governing board with two-year comparative financials. Additional information may be requested if required to understand the financial statements of the organization.
 - 5.2.3 Any outside organization that receives less than \$2,000 is not subject to reporting requirements.
 - 5.2.4 All potential conflicts of interests must be disclosed as part of reporting. This could include, but is not limited to, an arrangement between a key member of management, a close family member or key management staff, an apparent or subsidiary company, or a member of the managing board. Typical arrangement could include, but is not limited to, purchases, loans, and receivables.