

**REQUEST FOR BOARD ACTION**  
**HENDERSON COUNTY**  
**BOARD OF COMMISSIONERS**

**MEETING DATE:** April 3, 2023  
**SUBJECT:** Non-Profit and Other Organization Funding Policy  
**PRESENTER:** Commissioner Andreotta  
**ATTACHMENT(S):** Draft Policy

**SUMMARY OF REQUEST:**

Henderson County does not currently have an across-the-board policy on non-profit and other outside organization funding, and for the application for such funding. Proposed is such a policy.

**BOARD ACTION REQUESTED:**

If the Board is so inclined, the following motion is suggested:

***I move that the Board adopt the proposed policy.***

Henderson County  
North Carolina

**Before the Board of Commissioners**

Amendment to Administrative Manual -- Records Retention

BOARD OF COMMISSIONERS ENACTMENT 2023-\_\_\_\_\_

The Board of Commissioners hereby enacts a policy regarding *Grants and Other Funding for Non-Profit Organizations*.

Enacted the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

HENDERSON COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
REBECCA McCALL, Chair

Attest:

\_\_\_\_\_  
Denisa Lauffer, Clerk to the Board

**HENDERSON COUNTY POLICY ON  
COUNTY FUNDING FOR NON-PROFIT  
AND OTHER ORGANIZATIONS**

Facts Leading to the Adoption of the Policy

A. The North Carolina Constitution (Article I, Section 32) allows government funding only in consideration of “public services”.

B. The North Carolina General Statutes (N.C.G.S. §§ 153A-176 and 160A-279) only allows the county “to appropriate funds to any public or private entity which carries out a public purpose”.

C. North Carolina’s courts have further amplified this: “direct . . . aid to a private enterprise, with only limited benefit accruing to the public, contravenes fundamental constitutional precepts.” This is true whether that private enterprise is organized on a for-profit or not-for-profit basis.

D. For an expenditure to serve a public purpose and not amount to an illegal gift, the expenditure must both be reasonably connected to a legitimate aim of government, and the ultimate gain must be the public’s, not that of an individual or private entity.

E. A proposed grant or other similar funding by Henderson County should not only meet the minimum requirements of North Carolina, stated above, but should also advance a specific goal identified by the County’s Board of Commissioners.

F. Certain grants are made by the County with funding from the Federal government, and as such may require compliance with Federal policies and procedures as well as (in every case) those required by the State of North Carolina.

G. A clear policy on grants and other funding would benefit not only the entities applying for such funding, but also this Board in determining which funding should be granted, Henderson County staff in implementing such grants, and the citizens of Henderson County in providing a transparent and fair process.

Policy

Application Process:

1. Any public or private entity, whether for profit or non-profit, which desires to receive funding from the County during the County’s upcoming fiscal year must apply for such funding on a year-by-year basis. Renewals from year to year will not be automatic absent approval of a specific term contract by the Board of Commissioners.

2. All funding will be made based on the County’s fiscal year, running July 1 to June 30.

3. Applications for funding must be completed on an online or other form supplied by the County. The applications will require a copy of the applicant’s financial records (including income statements, payroll (including salaries for officers and directors), and complete disclosure of assets and debts of the organization.

4. County staff will provide forms for application by not later than September 15 prior to the beginning of the fiscal year for which funding is sought.

5. County staff will be available for consultation with those considering apply for funds to assist in completion of the application forms.

6. Completed applications must be received by the County by not later than November 30 prior to the fiscal year for which funding is sought. Applications received after the deadline will not be considered for funding. It shall be the responsibility of the requesting agency to ensure that applications have been received by County staff.

7. County staff will evaluate the completed applications and provide (i) the applications and (ii) a list of recommended recipients to the Board of Commissioners for the Board's consideration at their annual budget retreat.

8. As a part of their budget retreat, the Board of Commissioners will provide guidance to the County staff as to its selection of recipients and funding maximums to be included in the County Manager's recommended budget received in May prior to the fiscal year for which funding is sought.

Other Requirements:

9. Any funding granted is subject to a complete audit. If an entity has received County funding in the past, it may be subject to audit on such prior funding prior to disbursement of any newly approved County funds.

10. Any funding granted will be pursuant to a contract containing standard provisions for all recipients. That contract must be executed by the recipient and approved by the Board of Commissioners prior to the release of any funding. A copy of those provisions will be available at the same time that applications are available.