

Town of Clayton
Non-Profit Organization Funding Program



Table of Contents

General Instructions	1
Non-Profit Organization Fund Policy	2
Non-Profit Organization Grant Application Checklist	5
Non-Profit Organization Grant Application	6
Non-Profit Organization DRAFT Grant Agreement	11

Town of Clayton
Non-Profit Organization Grant Program
Application Instructions

1. To be considered for grant funding, a non-profit organization must complete the Non-Profit Grant Application Form in its entirety. (See page 7)
2. All supplementary information must be provided at the time of application.
3. Successful grant applicants must execute a Non-Profit Grant Agreement with the Town of Clayton subsequent to the award of grant funding. A draft copy of this agreement is provided on page for your review. A finalized agreement will be prepared by the Town of Clayton once a funding decision has been made. Grant funds will not be released until this agreement has been executed by the Non-Profit Organization.
4. All applicants must be prepared to appear before the Town Council at a regularly scheduled meeting to answer questions and/or present their Grant Application.
5. The Town Council may request additional information from any non-profit organization. All requested information must be provided by the timeline designated by the Town Council. Failure to provide all requested information may disqualify a non-profit organization from funding eligibility for the funding year.
6. The Non-Profit Grant Program with the related policies, applications and contracts are available on the Town's website at www.townofclaytonnc.org.
7. Any questions concerning this program should be directed to:

Nancy Medlin, Deputy Town Manager
919.553.5002
nmedlin@townofclaytonnc.org

Town of Clayton

Non-Profit Organization Funding Policy

July 1, 2009

Purpose:

The purpose of this policy is to provide guidelines to the Council and staff in making decisions regarding funding requests of local non-profit organizations. To the extent that non-profit organizations provide necessary services to Town citizens, the Town may choose to contribute to their operations or support specific projects. The Town has limited resources, however, and hereby endeavors to establish a policy that ensures an accountable, objective, and fair process for funding nonprofit agency grant requests.

Eligibility:

The Town may award grants on an annual basis to bona fide (501(c)(3) qualified) non-profit organizations that are located in the Town of Clayton and/or provide programs or services to the residents of the Town of Clayton. Organizations without a valid 501(c)(3) standing or which do not directly benefit the Town of Clayton or its citizens in a legitimate public service enterprise need not apply and will not be considered for grant funding.

1. The programs or services provided by the non-profit organization must further at least one of the Council adopted community goals:
 - Safest, Healthiest Town in the Triangle Area
 - Downtown: The Community Hub

- Regional Service Center
 - A Place for Family Fund and Leisure
 - Business Community: Diverse and Profitable
 - Value for Taxes and Public Fees
2. The non-profit organization must be able to provide documentation that demonstrates compliance with all applicable federal and state laws related to tax-exempt status including adopted by-laws and executed tax returns for each of the three prior years.
 3. The non-profit organization must be governed by a volunteer board of directors that serves without compensation. Each such board must show proof of having gathered in an official meeting at least once in the prior year. A list of Directors including length of service and minutes from an annual meeting whereby officers were duly elected in accordance with adopted by-laws must be provided as part of the application.
 4. The organization must be subject to an independent audit or review annually.

Funding Criteria:

Requests for funding from non-profit organizations will be submitted to the Town Council for consideration. The criteria used to evaluate the requests may include, but are not limited to the following criteria:

1. The number or percentage of Clayton residents served by the non-profit organization.
2. How well the services of the non-profit organization meet the needs of the Town residents.
3. What the impact on Town services would be if the non-profit organization could no longer provide its services to Town residents.
4. Whether the non-profit organization has stated achievable, outcome-based goals and has outlined a specific plan to meet these goals.
5. The non-profit organization has demonstrated financial stability.
6. The services provided by the non-profit organization do not

duplicate services already funded by the Town.

Application Process:

Applications for funding will be accepted annually in conjunction with the annual budget process. The following terms will apply to the application process:

1. Interested applicants may obtain an application from the Town's website at www.townofclaytonnc.org or by requesting that an application be mailed to them.
2. All non-profit organizations wishing to be considered for Town funding must complete an annual non-profit funding application even if the non-profit organizations has received funding from the Town in the past. Past funding does not assure certainty or amount of future funding.
3. Applications will be made available annually in January and will be due back to the Deputy Town Manager by a published deadline. (For FY 09-10, the application process will begin in September 2009)
4. Applications received after the published deadline will be deemed ineligible for funding for that year.
5. All applications must include proof of tax exempt status.
6. All applications must include a copy of current audited or reviewed financial statements.
7. All applications for funding may relate only to eligible program service costs as defined under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code.
8. Submission of a completed application does not guarantee funding.
9. Non-profit organizations must be prepared to address the Town Council and provide specific justifications for funding requests prior to funding approval.
10. Eligible applications will be reviewed by the Deputy Town Manager and her designees, and recommendations for funding will be presented to the Town Council for their decision.

11. Grant notification letters will be sent to all non-profit organizations who applied for grants after funding decisions have been made by the Town Council.
12. The Town of Clayton will only consider single year funding requests, unless the Town Council expressly decides otherwise.
13. Applications received from non-profit organizations that have received Town of Clayton funding in past years, must include a detailed accounting of how the grant funds were utilized.

Funding Requirements:

Prior to the release of funds, all applicants must execute a Non-Profit Grant Agreement with the Town of Clayton.

**Town of Clayton
Non-Profit Organization
Grant Application Checklist**

To ensure that your grant application receives all due consideration, please be sure to read and follow all instructions. Please include all requested information and supplementary materials. Incomplete applications or missing supplementary materials may cause your application to be removed from consideration for funding.

As a reminder, please ensure your application includes the following:

- Completed Grant Application Form**
- Signature of President and Board Chairman**
- Copy of most recent audit/review**
- Copy of detailed budget**

**Town of Clayton
Non-Profit Organization
Grant Application Form**

Organization Name: _____

Federal Tax ID Number: _____

Address: _____

City _____ **State** ____ **Zip** _____

Phone: (____) _____ **Fax** (____) _____

E-mail: _____

Website (if applicable): _____

Lead Administrator Name: _____

Title: _____

Phone: (____) _____ **Fax** (____) _____

E-mail: _____

Board of Directors Chairman: _____

Phone: (____) _____ **Fax** (____) _____

E-mail: _____

1. Requested Amount of Funding: \$ _____ (See NOTE below)

NOTE: Only funding requests covering program service costs as defined under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code shall be considered for approval.

2. Has your organization requested funding from the Town of Clayton in prior years?

Yes ____ No ____

If yes, please list years and amounts requested:

6. Are similar services available in the Town of Clayton from other providers?

Yes ____ No ____

If yes, what agencies currently provide similar services?

7. What additional value does your organization offer that is not currently offered by other organizations?

8. How will your organization coordinate with other service providers to ensure no duplication of services?

9. How will these services benefit the citizens of Clayton?

10. How will your organization ensure services are equally available to all eligible residents of Clayton?

11. Does your organization have any affiliated for profit or non-profit organizations? If so, please attach a list including the organization name, purpose, and form of organization.

12. Please provide the names and titles of the personnel in your organization responsible for authorizing disbursements of funds.

13. Are these individuals bonded?

Yes _____ No _____

If yes, please state the amount of bonding: \$_____

14. Do these individuals also sign checks?

Yes _____ No _____

15. If no, who does?

16. Does your organization have a detailed budget?

Yes _____ No _____

If yes, please provide a current copy.

17. Does your agency have an annual audit/review by a CPA?

Yes _____ No _____

If yes, please provide a copy of your most recent audit/review.

18. Is your agency or any of its Directors currently under investigation for criminal acts, subject to any Judicial orders, received any administrative or regulatory fines from any agency of the State or Federal government in the past year.

Yes _____ No _____

If yes, please provide details on an attachment.

I/we hereby certify that the information contained in this grant funding application is true and accurate to the best of my/our abilities.

CEO

Chairman, Board of Directors

Date



TOWN OF CLAYTON, NORTH CAROLINA
NON-PROFIT GRANT AGREEMENT

This Grant Agreement is made as of the ____ day of _____, _____, between the TOWN OF CLAYTON, a political subdivision of the State of North Carolina ("GRANTOR") and _____, a North Carolina not-for-profit corporation, EID# _____ ("GRANTEE").

WITNESSETH:

WHEREAS, The GRANTOR desires to provide funding to certain non-profit agencies for the provision of public services to Town of Clayton residents; and

WHEREAS, GRANTEE has been chosen by the Clayton Town Council to be a recipient of Town of Clayton non-profit funding for fiscal year _____;

NOW, THEREFORE, in consideration of the mutual recitals, promises, and covenants set forth herein, the parties hereto agree as follows:

1. **Amount and Terms of Grant.** The GRANTOR agrees, subject to the terms and conditions of this Agreement, to provide the GRANTEE the sum of _____ Dollars (\$_____) ("Grant Funds") to provide funding for the program as described in the GRANTEE's Grant Application, (amended as applicable) which Application and amendment if any, is hereby incorporated into this Agreement by reference and made an integral part hereof ("Program"). The GRANTOR

does not make any warranty, either express or implied, that the proceeds of the Grant Funds will be sufficient to pay all or any particular portion of the cost of the Program.

The amount of the Grant Funds has been determined by the GRANTOR in reliance upon annual expenditures, revenues and projections of the GRANTEE with respect to the Program as set forth in the Grantee's Grant Application.

2. Unconditional Obligations. The obligations of the GRANTEE to perform and observe this Grant Agreement and any other agreements on its part contained herein shall be absolute and unconditional. Until such time as all obligations of the GRANTEE provided in this Grant Agreement are met, the GRANTEE (i) shall perform and observe all of its other agreements contained in this Grant Agreement and (ii) shall observe any obligation or covenant, whether expressed or implied, or any duty, liability, obligation or covenant arising out of or connected with this Grant Agreement.

3. Use of Grant funds. The GRANTEE shall expend GRANTOR Grant Funds only for the performance of the services or functions detailed in GRANTEE's Grant Application, (amended as applicable). For purposes of this Grant Agreement, allowable expenses shall **only** include program service costs as defined under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code. Should the services change, GRANTEE shall first seek approval from the Town Council through the Town Manager or Deputy Town Manager. None of the Grant Funds authorized hereby may be used for any purpose not specifically determined to be a public service.

4. Term of Grant Agreement. The Term of this Grant Agreement shall begin on the date first written above and, unless sooner terminated as provided herein, shall expire on June 30, ____ or upon compliance with all of the provisions of this Grant Agreement, whichever shall occur last (the "Term").

5. Payment. Unless otherwise first approved in writing by the GRANTOR's Finance Director, GRANTOR shall make one lump sum payment to the GRANTEE within 30 days of Council approval of the GRANTEE application for funding. The GRANTOR, in its sole discretion, may delay or cancel such payment for failure by the GRANTEE to comply with any of the provisions of this Grant Agreement.

6. Payments Do Not Constitute a Waiver. No payment of Grant Funds hereunder shall constitute a waiver of any of the conditions of the GRANTOR's obligation to make further payments nor, in the event the GRANTEE is unable to satisfy any condition required hereunder, shall any such payment have the effect of precluding the GRANTOR from thereafter declaring such inability to satisfy to be a breach of this Grant Agreement.

7. **Financial Recordkeeping/Reporting.** The GRANTEE, at GRANTEE's sole expense, shall account to the satisfaction of the GRANTOR's Compliance Manager for all Grant Funds received from the GRANTOR under this Grant Agreement and all expenditures made from Grant Funds.

Such accounting shall be in a form prescribed by the Compliance Manager, and shall include an affidavit or annual audit from the chief officer of the GRANTEE providing and attesting to the financial condition of the organization and the expenditure of Grant Funds. **Grantee shall also provide the Compliance Manager with semi-annual financial statements on or before February 15, _____ and August 15, _____.** The GRANTEE shall provide such other information, records or documentation as the Compliance Manager may require. Non-compliance with this section may be deemed a material breach of this Grant Agreement.

GRANTEE shall submit the audit report, management letter and semi-annual financial statements to:

Town of Clayton

Attn: Deputy Town Manager

P.O. Box 879

Clayton, NC 27520

Telephone: 919-553-5002

Additionally, the GRANTEE shall allow the GRANTOR's Auditor access to the records and information required hereunder and shall facilitate a review of the accounting and program operations as may be required. The GRANTOR shall have the right to do site visits within one (1) week of request to do so.

GRANTEE shall retain financial and Program records for a minimum period of three (3) years following the expiration or earlier termination of this Grant

Agreement. Nothing in this section shall be construed to relieve the GRANTEE from other applicable reporting requirements established by law.

8. Program Reporting. GRANTEE shall submit a mid-year update to the Town Council regarding progress of the Program, progress toward Program outcomes and performance measures related to the success of the Program. The report should focus on those program goals and measures identified in the GRANTEE'S Funding Application and provide updated data through December, 2009. **The mid-year report shall be provided to the Deputy Town Manager, on or before February 15, 2010.** Failure to comply may be deemed a material breach of the Grant resulting in termination of the Grant with no further funding.

GRANTEE shall submit the program report to:

Town of Clayton

Attn: Deputy Town Manager

P.O. Box 879

Clayton, NC 27520

9. Warranties of GRANTOR. GRANTOR warrants and represents that it is a political subdivision of the State of North Carolina and that it has duly authorized the execution and delivery of this Grant Agreement. The GRANTOR further warrants and covenants the GRANTOR will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in this Grant Agreement and in all proceedings of the GRANTOR pertaining to this Grant Agreement.

10. Warranties of the GRANTEE: The GRANTEE hereby makes the following warranties and representations to induce the GRANTOR to enter into this Grant Agreement:

- a. GRANTEE is a North Carolina not-for-profit corporation duly organized and existing under and by virtue of the laws of the State of North Carolina ("State).
- b. Grantee is exempt under sec. 501(c)(3) of the Internal Revenue Code.
- c. GRANTEE is not in violation of any provision of its articles of incorporation or any laws of the State relevant to the transactions contemplated by this

Grant Agreement.

- d. GRANTEE has full power and authority to execute and deliver this Grant Agreement and to carry out the Programs and obligations provided for herein. The execution and delivery of this Grant Agreement has by proper action been duly authorized by the GRANTEE and all actions necessary have been taken to constitute this Grant Agreement when executed and delivered by the respective parties thereto, valid and binding obligations of the GRANTEE.
- e. The execution, delivery and performance by the GRANTEE of this Grant Agreement and the consummation of the Programs and obligations contemplated hereby will not violate any provision of law or regulation applicable to the GRANTEE, or of any writ or decree of any court or governmental authority, or of the articles of incorporation and by-laws of the GRANTEE, or of any mortgage, indenture contract, agreement or other undertaking to which the GRANTEE is a party or which purports to be binding upon the GRANTEE or upon any of its assets.
- f. GRANTEE shall do or cause to be done all things necessary to preserve, maintain and keep in full force and affect its legal existence and comply with all laws applicable to it so long as it remains obligated to the GRANTOR under this Grant Agreement.
- g. All information in the GRANTEE's Grant Application or otherwise given by the GRANTEE to the GRANTOR, is and shall be true and correct. GRANTEE has not and shall not hereafter neglect to inform the GRANTOR of any material information pertaining to the Program described in GRANTEE's Grant Application.
- h. GRANTEE at the GRANTEE's expense shall assist the GRANTOR in obtaining any information or documentation required to verify the statements and comments made in this Grant Agreement. GRANTEE hereby consents to any inspection of the Program required for such verification and agrees to supply any information or documentation required for such verification within the GRANTEE's control as the GRANTOR may request.
- i. GRANTEE hereby acknowledges that GRANTEE has received a copy of the Town of Clayton's Non-profit Policy ("Policy"), has read and understands the Policy and that by entering into this Grant Agreement, GRANTEE agrees to comply with the Policy's terms and conditions. GRANTEE's failure to comply with any provision of the Policy may be deemed a material breach of this Grant Agreement.
- j. If applicable, Grantee has obtained and will maintain a Solicitation License from the NC Secretary of State throughout the Term of this Agreement.

11. Insurance Requirements. GRANTEE shall comply with the North Carolina Workers' Compensation Act and shall provide for the payment of workers' compensation to its employees in the manner and to the extent required by such Act during the performance of services.

Upon execution of this agreement, GRANTEE shall furnish a certificate of insurance from an insurance company licensed to do business by the North Carolina Department of Insurance verifying the existence of any insurance coverage required by GRANTOR. The certificate shall provide for at least sixty (60) days advance notice in the event of termination, reduction or cancellation of coverage.

12. Notices. Unless otherwise stated herein, when any notice or consent is required to be given under the terms of this Grant Agreement, such notice or consent shall be in writing and shall be effective only upon actual receipt by the party to whom notice is given. Such notice shall be delivered to the addresses below or to such other persons or addresses as the parties may, from time to time, establish in writing:

In case of the GRANTOR, to:

Town of Clayton
Attn: Deputy Town Manager
P.O. Box 879
Clayton, NC 27520

In case of the GRANTEE, to:

13. Applicable Laws. GRANTEE shall be responsible for compliance with all applicable federal, state and local laws, regulations and ordinances during the performance

of the Programs, services and functions funded in whole or in part by this Grant Agreement including North Carolina bid laws and any state or federal tax reporting requirements.

14. Conflict of Interest. No officials or employees of the GRANTEE may obtain or receive, directly or indirectly, any personal or financial interest, benefit or gain from the Grant Funds other than salaries and normal benefits, either for themselves or those with whom they have family or business ties.

15. Repayment of Funds. GRANTEE shall repay to the GRANTOR the full amount of any Grant Funds lost, misapplied, or inadequately accounted for in violation of this Grant Agreement.

16. Indemnification. GRANTEE shall indemnify and hold harmless the GRANTOR and its officials, agents, and employees from and against all claims, damages, losses, and expenses, direct, indirect, or consequential (including but not limited to fees and charges of attorneys and other professionals and costs related to court action or arbitration) arising out of or resulting from the performance of this Grant Agreement or the actions of the GRANTEE or its officials, employees, or contractors under this Grant Agreement or under the contracts entered into by the GRANTEE in connection with this Grant Agreement. This indemnification shall survive the termination of this Grant Agreement.

17. Governing Law. This Grant Agreement shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Grant Agreement shall be brought in the General Court of Justice in the County of Johnston and the State of North Carolina.

18. Special Conditions. GRANTEE shall meet any special conditions, which are attached hereto and incorporated herein.

19. Equal Employment Opportunity. GRANTEE shall not discriminate against any employee or applicant for employment because of age, sex, race, creed, national origin, or disability. GRANTEE shall take affirmative action to ensure that its employees are treated fairly and legally during employment with regard to their age, sex, race, creed, national origin, religion or disability. In the event GRANTEE is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Grant Agreement may be canceled, terminated or suspended in whole or in part by GRANTOR, and GRANTEE may be declared ineligible for further GRANTOR Grant Funds.

20. Termination. GRANTOR may terminate this Grant Agreement at any time by giving ten (10) days written notice of termination to the GRANTEE. If termination is due to a material breach of this Grant Agreement by GRANTEE, GRANTEE shall repay to the

GRANTOR all Grant Funds paid to GRANTEE under this Grant agreement within 30 days of the effective date of termination for cause.

Termination of this Grant Agreement, either with or without cause, shall not form the basis of any claim for loss of anticipated profits by either party.

21. Assignment. GRANTEE may not assign, transfer or delegate any of its duties, obligations or responsibilities under this Grant Agreement without the prior written consent of the GRANTOR.

22. Waiver. No action or failure to act by the GRANTOR or GRANTEE shall constitute an obligation or duty afforded them under this Grant Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach hereunder, except as may be specifically agreed to in writing by the non-breaching party.

23. Exercise of Functions. Nothing contained in this Grant Agreement shall in any way stop, limit or impair the GRANTOR from exercising or performing any regulatory, policing or other governmental functions.

24. No Partnership. Nothing in this Grant Agreement is intended or shall be considered to create a joint venture or partnership between the GRANTOR and the GRANTEE nor be interpreted to deem either the agent of the other or to make the GRANTOR in any way responsible for the duties, responsibilities, obligations, liabilities, debts or losses of the GRANTEE.

25. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of GRANTEE under this Grant Agreement.

26. Whole Agreement. This Grant Agreement, including the attached Insurance Addendum, and GRANTEE'S Grant Application, shall be the whole agreement between the GRANTOR and the GRANTEE with respect to the matters set forth herein and the Grant Funds.

27. Headings. All headings that appear after paragraph numbers in this Grant Agreement are included for convenience only and shall not affect the meaning or interpretation of any of the provisions of the Grant Agreement.

28. Survival. The provisions of Paragraphs 8, 12, and 18 hereof shall survive any termination of this agreement.

29. Corporate Existence. GRANTEE warrants that it is a corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina and is duly qualified to do business in the State of North Carolina and has full power and authority to enter into and fulfill all the terms and conditions of this contract.

30. Corporate Authority. By execution hereof, the person signing for GRANTEE below certifies that he/she has read this contract and that he/she is duly authorized to execute this contract on behalf of the GRANTEE.

[REMAINDER LEFT INTENTIONALLY BLANK, SIGNATURE PAGE TO FOLLOW]

IN TESTIMONY WHEREOF, the parties have expressed their agreement to these terms by causing this NON-PROFIT GRANT AREEMENT to be executed by their duly authorized officer or agent.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first written.

ATTESTED:

GRANTOR: Town of Clayton

BY: _____

BY: _____

Sherry L. Scoggins, Town Clerk

Nancy T. Medlin, Deputy Town Manager

(SEAL)

ATTESTED:

GRANTEE:

BY: _____

BY: _____

(Authorized Representative)

(Title)

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

BY: _____

Robert McKie, Finance Director