



# City of Hendersonville Special Appropriations Recipient Manual

A Comprehensive Guide to the City of Hendersonville's  
Special Appropriations Program.

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# The City of Hendersonville Special Appropriations Recipient Manual

## INTRODUCTION

The City of Hendersonville values the important role nonprofit agencies play in providing programs and services to the residents of the City. With a service mindset and tireless efforts, these private, nonprofit community partners combine public and private revenue sources with volunteer efforts to provide vital programs and services. For this reason, each year, the City of Hendersonville appropriates funds for investment into nonprofit agency-provided programs that are in alignment City Council’s mission and core values for the City and which City Council believes responds to current challenges faced by our community. These appropriations are referred to as “Special Appropriations.”

### The City’s Vision Statement, Mission Statement, and Statement of Core Values and Beliefs\*

#### **Vision Statement**

Hendersonville is a vibrant mountain city where the government and citizens work together for a high quality of life.

#### **Mission Statement**

The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors and businesses through open communication, timely responses, and quality results.

#### **City of Hendersonville Core Values and Beliefs**

The City of Hendersonville believes municipal government should be non-partisan.

The City of Hendersonville values open, transparent communication and trust with the community and each other.

The City of Hendersonville believes community members expect services to be delivered at a high level.

The City of Hendersonville values all community members through promoting diversity, equity, and inclusion.

The City of Hendersonville values its employees and must support them to ensure the provision of high-quality services to its residents.

The City of Hendersonville values the lives of all community members and must protect them through collective action.

The City of Hendersonville believes environmental sustainability is critical to preserving the community for future generations.

\*The City’s full Statement of Core Values and Beliefs is included as Appendix 1 to this manual.

## CHAPTER 1 SPECIAL APPROPRIATIONS GENERALLY

### **What is the purpose of the City's Special Appropriations program?**

The purpose of the City's Special Appropriations program is to augment the City's directly provided services by contracting with nonprofit community partners to provide programs and services that fit within the mission of City government and that are needed or beneficial to the City residents, but which the City is either not equipped to deliver or could not deliver without significant expansion and expense. The Program also provides support to vital programs operated by nonprofit agencies and helps to ensure their continued success and sustainability. Lastly, it provides a way in which citizens and their government can work together to provide a higher quality of life within our community for each and every member, inclusive.

### **What are the rules?**

The Special Appropriations funding process is governed by the Special Appropriations Policy, or "Policy." The Policy is included in this manual as Appendix 2. The purpose of the Policy to ensure that funds appropriated as part of the City's Special Appropriations Program are used for the purpose intended by City Council, in compliance with the law, and in accordance with responsible business and management practices. This manual is provided to complement the Policy and assist nonprofit agencies with applying for a Special Appropriation and, if funded, with complying with the accountability requirements that are built into the Policy. Together, this Manual and the Policy provide the minimum standards that an agency must meet to be considered for a Special Appropriation. Where an agency's existing policies or procedures do not meet these minimums, and agency may be required to amend their policies and procedures to be considered for funding. This manual also contains practices that, while not required, are strongly recommended to help the agency provide greater accountability to the City, to the City's taxpayers whose taxes support and provide funding for the Special Appropriations Program, and most importantly to the people who are the beneficiaries of the funded programs and services.

The City has rules that it must follow when it appropriates money as part of the Special Appropriations Program. As a creation of the North Carolina legislature, the City only has those powers and authorities specifically given to them by the legislature through the adoption of laws, referred to as the North Carolina General Statutes, or NCGS for short. These laws, together with the North Carolina Constitution, are the State laws that provide the boundaries within which the City must operate when spending City funds. The City may only spend funds if the expenditure is: 1) a *public purpose* under the North Carolina Constitution; and 2) *specifically authorized* by the NCGS. Both are required. A "public purpose" is something that benefits the public generally. If an expenditure is primarily for the benefit of a person or entity, then it is likely not a public purpose. North Carolina courts ultimately determine whether something is a public purpose or not. There are many public purposes that are met by different levels of government. Just because something is a public purpose, however, doesn't mean that every type of government can do it. For example, owning and maintaining public streets is a public purpose because it benefits the public generally; however, in North Carolina only cities, the state, and the federal government may own or maintain public streets. Counties cannot. By contrast, counties can operate the Department of Social Services, which is a public purpose, but cities cannot. So, for a City to spend money on something, just meeting the "public purpose" test is not enough. It must also be *authorized* by the NCGS. In other words, there must be an express

statement in the NCGS that allows the City to provide the particular service or program. If there is, the NCGS specifically allow the City to contract with a nonprofit agency to provide that service or program.

### **How do the City’s limitations for spending City dollars affect Special Appropriations?**

The City’s limitations for spending City dollars directly affect Special Appropriations because the limitations follow the funds, even into the hands of third parties, such as nonprofits. The nonprofit recipient of these funds can only spend them for a program or service that the City could have spent them for directly. Although there is a large overlap in services that cities and nonprofits can provide, cities are significantly more restricted than nonprofits as a whole. As an example, a nonprofit agency might be able to spend its own, privately raised funds, to perform scientific data collection and research, advocate for political purposes, engage in foreign mission or welfare services, engage in religious activity, provide member services for a member organization, operate private foundations, and the list goes on and on. Cities generally cannot do any of these things. Additionally, nonprofits use their own funds to pay for the general operational expenses such as rent, electricity, administrative salaries, and all other general overhead expenses. Cities cannot subsidize the general operations of a nonprofit agency because, as discussed above, cities cannot spend money that primarily benefits the nonprofit, such as paying these types of expenses for the nonprofit. It is for this reason that the City limits its Special Appropriations funding to specific programs or services.

The City’s limitations for City spending also affect the Special Appropriations process because the law requires that the City put procedures in place to help ensure that the funds are, in fact, used for the City’s authorized purposes. As will be discussed in detail later, the City does this by 1) entering into a contract with the nonprofit agency regarding the special appropriations funding; and 2) requiring a report back to the City at the end of the year to demonstrate that the funds appropriated were used for the purposes stated in the contract. Sometimes, additional reporting or other restrictions may be required by the City. Additionally, the City reserves the right to perform an audit as to how the funds were used.

## **CHAPTER 2 SPECIAL APPROPRIATIONS FUNDING CATEGORIES**

This manual will help to provide an understanding and description of types of nonprofit programs and services that may qualify for Special Appropriations funding. As discussed above, the City may only fund programs and services that the City would be authorized to provide directly. To understand the types of programs and services that the City could legally consider for funding, it is helpful to first understand what cities are authorized to do.

### **What are cities authorized to do?**

Cities are governed by the North Carolina General Statutes (NCGS) and regulations, the federal statutes and regulations, and the North Carolina and Federal Constitutions. For purposes of this manual, the primary focus will be on North Carolina law, although some federal requirements may apply. Because cities are created by the North Carolina legislature, cities are only authorized to provide services and programs that the legislature allows as stated in the NCGS. The NCGS first provides that cities are municipal corporations that generally have a lot of the same powers that private corporations have – the power to contract, to own and

sell property, to sue and be sued and other general corporate powers. The NCGS grant to the City governmental powers to exercise within a specific geographical boundary. These powers include the authority to adopt local ordinances – local laws – within limits that the legislature has specified, the power to tax, the power of eminent domain, and the power to enforce the criminal laws of the state. All of these powers are reserved for governments, and with some exceptions, are only exercisable within the corporate limits of the City.

In addition to granting governmental powers to cities, the State laws authorize cities to provide traditional governmental services for the benefit of the public primarily within the City boundaries, and in some cases beyond the City’s municipal boundaries. These services include things like street construction and maintenance, fire protection, and parks and recreation. All of the foregoing governmental powers and services are primarily funded through local tax dollars and sales tax revenue. However, within limits, the City is also authorized to provide certain services for a fee, services that are primarily or solely supported by the revenues generated from these fees such as water and sewer. It is important to realize the different types of revenues that the City receives because the type of revenue can be another factor that determines what the City may spend it for.

The City has the authority to do things to help support and stabilize the local economy, and to preserve the character and vitality of the City, things like economic development, agricultural support services, community development, and downtown development, redevelopment and revitalization. Lastly, the legislature grants authority to the City for things that haven’t, traditionally, been provided by cities – human services, to provide assistance and support services to residents who require such assistance in order to live, function, and even thrive in their community.

Because City resources are limited, direct provision of programs and services by the City is primarily focused on things that only cities can provide, the more traditional governmental functions described above. For this reason, the City must rely on its community partners, such as Henderson County and local nonprofit agencies, to carry the bulk of the load in the human services, to carry some of the load in the economic support and community vitality categories, and to carry less of the load for the provision of traditional governmental services. Because the City recognizes the importance of all of these categories, each year City Council sets aside some its revenues to help extend the reach of our nonprofit partners to provide services to the community through the City’s Special Appropriations Process.

The City’s Special Appropriations process has been divided into two main categories for funding, each category being related to the two areas of support, described above, that the City must rely upon the City’s community partners for. These categories are 1) Arts, Culture and Recreation; and 2) Life Quality, Education and Economic Services. ***It is very important to understand that these categories are meant only to be an initial guide to help City staff organize and present the various funding requests for consideration to City Council. Ultimately, each fiscal year, City Council has the discretion to add new categories, revise these categories, or have no particular categories, and to decide whether or not any, all, some or none of the applications for Special Appropriations will be funded.*** City Council may determine that some applications critical enough to the City’s overall to receive full funding, separate and apart from the funds set aside each year for the Special Appropriations process. This is referred to as the “Full Funding List” in the Policy. Recipients receiving full funding will still be required to comply with the Policy and this Manual.

## What do the Special Appropriations Funding Categories include?

There are two main categories for Special Appropriations funding: Arts, Culture and Recreation Programs and Services; and Life Quality, Education and Economic Programs and Services. These categories have generally been organized according to the legal authority for them. This legal authority directly relates, and in fact determines, whether or not a requested Special Appropriation can be considered by City Council.

### Arts, Culture and Recreation Programs and Services

The City is specifically authorized to offer arts, cultural, and recreational programs and services. The Arts, Culture and Recreation Programs and Services category focus on programs and services that augment the quality of life for residents and visitors alike within the City. This includes things such as theaters, museums, musical performances, performing arts programming, literary arts programs, parks, greenspaces, recreational programming, and other similar programs and services. Table 2.1 below lists in more detail the programs and services in this category that the City is authorized to do in this category, and in turn illustrates the types of programs and services that the City is legally authorized (in most cases) to provide through contracts with nonprofit agencies.

**Table 2.1 Authority of the City for Arts, Culture, and Recreational Programs and Services**

Statute (NCGS)	Authority Granted
160A-488	<p><b>Museums and Art Programs</b></p> <ul style="list-style-type: none"> <li>▪ Museums, art galleries, arts centers open to the public</li> <li>▪ Arts programs, including performing arts, visual arts and literary arts</li> <li>▪ Dance, drama, music, painting, drawing, sculpture, printmaking, crafts, photography, film, video architecture, design or literature when part of an arts program.</li> <li>▪ Contracting with nonprofits for the support of all of the above; if funds are turned over to nonprofit, City must approve all expenditures and nonprofit must account for them at the end of the City’s fiscal year.</li> <li>▪ Support includes, but is not limited to funding capital costs, equipment, materials and supplies costs, operational costs and acquisition costs for works of art (Please note – this level of support is only allowed in this specific subcategory of funding.)</li> </ul>
Chapter 160A, Article 18	<p><b>Parks and Recreation</b></p> <ul style="list-style-type: none"> <li>▪ Operate and provide parks, playgrounds, recreational centers and other recreational facilities</li> <li>▪ Operate and provide supervised recreational programming and opportunities</li> <li>▪ “Recreation” includes activities that:               <ul style="list-style-type: none"> <li>• Are diversionary in character AND</li> <li>• Aid in promoting entertainment, pleasure, relaxation, instruction, and other physical, mental, and cultural development and leisure time experiences.</li> </ul> </li> </ul>

### Life Quality, Education and Economic Programs and Services

In addition to Arts, Culture and Recreation Programs and Services, the City is specifically authorized to offer

Life Quality, Education and Economic Programs and Services. First, programs and services in this category are targeted at members of our community facing significant challenges from an economic, health, mental health, safety, life skills, or other similar standpoint, to help equalize their opportunities with other members of the community not facing similar challenges. These programs and services focus on enabling their beneficiaries to meet basic needs for food, clothing, housing, and healthcare. These programs also focus on building self-sufficiency for their targeted populations through job skills, training and education, mental health and substance abuse and prevention services. Most, but not all, of the programs and services in this category, described to this point, will be required to serve primarily low to moderate income persons or households. Second, this category also focuses on providing economic viability, vitality and sustainability to the community as a whole. Lastly, programs in this category are those that seek to build community and social engagement. Table 2.2 below lists in more detail the programs and services in this category that the City is authorized to do in this category, and in turn illustrates the types of programs and services that the City is legally authorized (in most cases) to provide through contracts with nonprofit agencies.

**Special Note:** *The Policy and this Manual only apply to local, City funds. If any of the funds received from the City for a program or service are State or federal funds, heightened requirements must be met. Supplemental information from the City will be available with respect to meeting these heightened requirements, if applicable.*

**Table 2.2 Authority of the City for Life Quality, Education and Economic Programs and Services**

Statute (NCGS)	Authority Granted
160A-492	<p><b>Human relations programs</b></p> <p>A human relations program is one devoted to:</p> <ul style="list-style-type: none"> <li>▪ The study of problems in the area of human relations</li> <li>▪ The promotion of equality of opportunity to all citizens</li> <li>▪ The promotion of understanding, respect, and goodwill among all citizens</li> <li>▪ The provision of channels of communication among the races</li> <li>▪ Dispute resolution</li> <li>▪ Encouraging the employment of qualified people without regard to race; or</li> <li>▪ Encouraging youth to become better trained and qualified for employment.</li> </ul>
160A-492	<p><b>Community action programs</b></p> <p>A community action program is similar to programs that would traditionally be included in the programs authorized by the Economic Opportunity Act to Fight the War on Poverty - programs that promote self-sufficiency. Programs in this area should primarily be used for low-to-moderate income recipients. Examples from the federal government include:</p> <ul style="list-style-type: none"> <li>▪ the Head Start or early childhood development programs</li> <li>▪ Low-income energy assistance and weatherization assistance</li> <li>▪ Job corps programs</li> <li>▪ Work study programs</li> <li>▪ Neighborhood youth camps</li> <li>▪ Adult job training</li> </ul>
160A-492	<p><b>Manpower development programs</b></p> <p>A manpower development program is similar to programs that would traditionally be authorized by the Manpower Development and Training Act. Examples might include:</p> <ul style="list-style-type: none"> <li>▪ Job Training and Retraining</li> </ul>
160D-1311	<p><b>Community development programs and activities</b> (within limits as specified by statute).</p>



Statute (NCGS)	Authority Granted
160D-1312	<ul style="list-style-type: none"> <li>▪ Programs of assistance and financing of rehabilitation of private buildings principally for the benefit of low- and moderate-income persons</li> <li>▪ Programs for the restoration or preservation of older neighborhoods or properties</li> <li>▪ Programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income</li> <li>▪ Programs that could be operated by local government redevelopment commissions and housing authorities</li> </ul> <p><b>Acquisition and disposition of property for redevelopment</b></p> <ul style="list-style-type: none"> <li>▪ Acquire, redevelop and sale, or acquire and retain for public purposes any of the following: <ul style="list-style-type: none"> <li>▪ Blighted, deteriorated undeveloped or inappropriately developed property,</li> <li>▪ Property that is appropriate for <ul style="list-style-type: none"> <li>▪ Rehabilitation or conservation</li> <li>▪ Housing construction or economic development of the community</li> <li>▪ The preservation or restoration of historic sites</li> <li>▪ The beautification of urban land</li> <li>▪ The conservation of open space, natural resources, and scenic areas</li> <li>▪ The provision of recreational opportunities or</li> <li>▪ The guidance of urban development.</li> </ul> </li> </ul> </li> </ul>
160D-1316	<p><b>Low- and moderate-income housing programs</b></p> <ul style="list-style-type: none"> <li>▪ Engage in residential housing construction, new or rehabilitated, for sale or rental to persons and families of low and moderate income.</li> </ul>
160A-494	<p><b>Drug abuse programs</b></p> <ul style="list-style-type: none"> <li>▪ Provide for the prevention and treatment of drug abuse and addition through <ul style="list-style-type: none"> <li>• Education</li> <li>• Medication</li> <li>• Medical care</li> <li>• Hospitalization</li> <li>• Outpatient housing</li> </ul> </li> </ul>
160A-497	<p><b>Senior citizen programs</b></p> <ul style="list-style-type: none"> <li>▪ Cities may operate programs for the assistance of senior citizens (defined as 60+ years of age, including but not limited to: <ul style="list-style-type: none"> <li>• In-home services</li> <li>• Food service</li> <li>• Recreation</li> <li>• Transportation</li> </ul> </li> <li>▪ Funds appropriated to nonprofits require prior City approval of expenditures, and an accounting back to the City at the end of the fiscal year.</li> </ul>
122C-115(b)	<p><b>Provide mental health, developmental disabilities and substance abuse services and programs</b></p> <ul style="list-style-type: none"> <li>▪ Under this statute, programs may be provided through the Local Management Entity, operating under Chapter 122C, Article 4, Part 2 of the NCGS</li> <li>▪ Programs may be offered in a facility owned and operated by the City</li> <li>▪ Programs supported by the City under this statute must serve the entire catchment area, not just the City</li> </ul>
Chapter 131E, Article 2	<p><b>Own and operate hospital facilities</b></p> <p>The operation of hospital facilities is a very broad grant of authority, and basically</p>

Statute (NCGS)	Authority Granted
	<p>authorized the City to engage in any services that private, nonprofit hospitals typically engage in. This is very broad and includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ Construct, operate and maintain hospitals and other facilities which furnish hospital, clinical and similar services</li> <li>▪ Health care or medical care hospitals</li> <li>▪ Chronic disease, maternity, and mental health hospitals</li> <li>▪ Mental health hospitals</li> <li>▪ Nursing Homes</li> <li>▪ Adult Care Homes</li> <li>▪ Public Health Center Facilities</li> <li>▪ Facilities for intensive care and self-care</li> <li>▪ Clinics and outpatient facilities,</li> <li>▪ Laboratories</li> <li>▪ Health care training facilities</li> </ul>

## CHAPTER 3 DEFINITION OF TERMS

The following terms are used throughout this manual:

**Application** – the City’s form used to apply for funding through the City’s Special Appropriations Program. A sample application is included with this Manual as Appendix 3. The form is intended to allow the agency to provide, in a summarized format, information and data that describes the program or services for which funding is requested and demonstrates that the program meets the City’s requirements for consideration. *Applicants are encouraged to submit statistical information, program service data, and other supporting information and documentation with their Application to enable the City to better evaluate the funding request.*

**Agency** – See “Nonprofit.”

**Budget** – A detailed record of all income earned and spent for a program or a project during a specific period.

**Annual Performance Report or APR**. This is a report that must be submitted annually to the City 60 days after the end of the program year. This is a summary report that demonstrates that funding parameters and service requirements, outlined in the Special Appropriations Application and Contract, that the City relied on in making its funding decision, were met. This report should summarize the outcomes, successes, and use of resources in meeting the goals and objectives of the City. *Failure to submit this report may result in an agency being ineligible for consideration for funding in the next funding cycle.*

**Concern** – A deficiency in program performance discovered in a Monitoring that is not based on a statutory or regulatory requirement but is significant enough that it may result in an official Finding if it remains unaddressed.

**Conflict of Interest** - When an individual or organization is involved in multiple interests, one of which could affect or be perceived as affecting the fair and objective allocation of funds or procurement of goods and services. *Please note: City Council members that serve on a nonprofit board that is requesting funding will not participate in the consideration or approval of the funding request at the City Council level.*

**Contractors:** A contractor is an entity paid in return for a specific service whether the contract is entered between contractor and the City or between the contractor and a Nonprofit. Contractors hired by an agency to perform part of the program or service requesting funding should be selected through a competitive procurement process.

**Direct Costs** – Costs that can be identified specifically with respect to a particular program or service area.

**Family** - all persons living in the same household who are related by birth, marriage, or adoption.

**Finding** – A deficiency in program performance based on a failure to meet or comply with a legal requirement or a City requirement serious enough to disqualify an agency for funding for one or more years. Findings that indicate criminal or fraudulent activity may have occurred will be submitted to the appropriate law enforcement agency for investigation.

**Household** - all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share living arrangements.

**Household Income** – All income of all persons living in the home.

**Income** – annual gross income from all sources.

**Income limits** – Annually, guidelines established for determining income eligibility.

**Indirect Costs** – Costs not readily identifiable as specifically being for one particular program or service area, but that are necessary to the general operation and the conduct of the agency.

**Intensive monitoring** – An in-depth review of an agency’s performance by the City at a frequency, determined to be appropriate by the City.

**Limited Review** – A procedural review for compliance with the Policy and this Manual.

**Low Income family** – a family having an income equal to or less than 50% of current Area Median Income as determined by the federal department of Housing and Urban Development.

**Low- and moderate- income family** - a family having income between 50% and 80% of the current Area Median Income as determined by the federal department of Housing and Urban Development.

**Low- and moderate- income persons** – members of low- and moderate-income families.

**Median income** - average income as determined for the metropolitan statistical area as determined by the

federal department of Housing and Urban Development..

**Moderate Income** – income greater than 50%, but less than or equal to 80%, of area median income as determined by the federal department of Housing and Urban Development..

**Monitoring** – An ongoing process of reviewing performance using available data to make judgments about and assist in improving that performance.

**NCAC** – the North Carolina Administrative Code.

**NCGS** – the North Carolina General Statutes

**Nonprofit** – a not-for-profit entity, agency, group, or association having the capacity to contract. Partnerships, sole proprietors, limited liability corporations and most private foundations are specifically excluded. Nonprofits receiving Special Appropriations should be a nonprofit corporation that has received 501(3) (c) designation by the Internal Revenue Service and not be considered a private foundation unless specific exceptions are made by City Council for specific programs that meet the requirements of the Policy and this Manual. In no event may funds received be used for the furtherance or inhibition of religion or for political purposes, causes or candidates for office.

**Presumed Benefit** - Benefit to a group that is presumed to be principally low-moderate income. Presumed benefit groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly persons over 62 years of age.

**Program** – a set of related measures, services or activities, targeted towards addressing a qualifying public purpose or objective. “Qualifying” refers to a program that the City could legally perform directly. Special Appropriations funded for programs will generally be funded on a percentage basis of the total overall direct costs of the program, based on the percentage of approved beneficiaries served by the Program. Typically, approved beneficiaries will be restricted to City residents falling within applicable income limits; however, it is recognized that certain populations are homeless, and service to these individuals is not restricted.

**Program Year** – July 1 – June 30.

**Records** – Any and all books, records, documents, information, data, papers, letters, materials, electronic storage data and media (written, printed, electronic or electrical) in whatever means that it was collected, preserved, produced, developed, maintained, completed, received or compiled by for or at the direction of any person or entity in carrying out the duties and obligations required by the terms of the Policy, this Manual, an Agreement, or a contract, including but not limited to financial books and records, ledgers, drawings, maps, pamphlets, designs, electronic tapes, computer drives and diskettes or surveys.

**Services** - actions taken or performed to accomplish a qualifying public purpose or objective. “Qualifying” refers to a service that the City could provide directly. Special Appropriations made based upon services to be provided will be funded on a per-person, or per-service, basis, up to the funding limit, for services provided to approved recipients. Typically, approved recipients will be restricted to City residents falling within applicable income limits; however, it is recognized that certain populations are homeless, and service to these individuals is not restricted.

## CHAPTER 4 ELIGIBILITY

### Eligible Programs and Services

As discussed in Chapter 2, State law limit the kinds of activities that the City and its funded nonprofits may carry out with City funds. In addition to carrying out a public purpose, programs and services funded through the Special Appropriations Process must also be included within the list of eligible activities contained within the NCGS for cities, summarized in Tables 2.1 and 2.2. A project or program must also be consistent with the City's Vision and Mission Statements, and its Statement of Core Values, summarized in Figure 1.1, and stated in full in Appendix 1. Finally, the program or service must be offered and performed during the term of the nonprofit agreement, typically one fiscal year.

### Ineligible Expenditures

The general rule is that the City of Hendersonville funds shall not be used for any activity or program, directly or indirectly, not authorized by the Policy or this Manual. City funds may never be used for any of the following, unless specifically authorized by the nonprofit agreement. *Please note that this is not an exhaustive list.*

- Political activities or campaigns
- For the benefit of an ineligible beneficiary or recipient
- Debt service payments
- General operational expenses of the nonprofit
- Operational expenses of another program or service
- Indirect expenses
- Direct payments to any individual

Some activities are usually ineligible but may be carried out under very specific conditions which will be detailed in the nonprofit funding agreement. Those activities include:

- Acquisition, construction, or reconstruction of buildings for the general conduct of the nonprofit
- Purchase of equipment
- Operating and Maintenance expenses

### Eligible Nonprofits

For a nonprofit agency to be eligible to receive funding under the Special Appropriations Program, they must meet the following requirements (Note, eligibility of the program or services for which funding is requested is described in Chapter 2):

- Must be an IRS Certified 501(c)(3), unless specific exception is made by City Council
- Must be in good standing with all licensing entities and boards or commissions, if applicable
- Must be in good standing with the City, and not owe the City any funds
- Must have successfully completed and performed all obligations with respect to City-funded

programs and services in the past or have a City-approved plan in place that demonstrates to the satisfaction of the City that the agency will complete and perform all obligations for the applied for year.

- Must perform their services within the within the corporate limits of Hendersonville, unless specifically stated otherwise in the nonprofit agreement.
- Must have capacity (legal, financial and administrative) to carry out the proposed program or service.
- Must have a current acceptable audit or accountant prepared financial statement if not in possession of a current audit
- Must be able to provide their services to qualifying City of Hendersonville residents or to a qualifying area within the City of Hendersonville. Note that programs that serve homeless individuals and homeless families residing in Hendersonville are presumed as low-income residents of Hendersonville.
- Must not be debarred from receiving state or federal funding under any state or federal program
- Must submit the City’s application, properly completed, prior to the posted deadline.

Agencies should also meet the following guidelines:

- Be licensed under Chapter 131F of the NCGS for the solicitation of contributions unless exempt.
- If unincorporated, designate a registered agent for the nonprofit agency and file the designation with the North Carolina Secretary of State under NCGS 59B-11.

### **Faith-Based Organizations**

Programs administered by faith-based organizations which meet the following requirements, in addition to the other requirements of the Policy and this Manual may be considered for funding:

- The program or service must have a secular purpose
- It must have a primary effect that neither advance nor inhibits religion
- It must not result in the excessive entanglement between the City and the faith-based organization

Organizations may not use direct City funds to support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations, like all organizations implementing City-funded programs, must serve all eligible beneficiaries without regard to religion. Faith-based organizations may not require participants to attend or takepart in any religious activities that take place at a different time or location. Faith-based materials, supplies, and literature may not be acquired or distributed with City funds. Only direct costs of the qualifying program or services may be paid for with City funds.

## **CHAPTER 5 THE APPLICATION, FUNDING, AND SPECIAL APPROPRIATIONS AGREEMENT**

### **Application**

Applicants wishing to partner with the City and request a Special Appropriation for a program or service must submit the City’s application. A sample application - Requestion for Special Appropriation- is included

in this Manual as Appendix 3. Full instructions to complete the application will be provided when the annual application is published each year. Please read these instructions carefully and contact City staff if you have any questions, prior to submitting the application. Incomplete, or incorrectly filled out applications, will likely not be considered, or if considered, will not have as good of a chance in receiving funding. *Applicants are strongly encouraged to include with their application statistical information, program service data, and other supporting information, data and documentation demonstrating the need for, and benefit of, the program or service within the City.* **All applications must be received by the deadline stated in the application form to be considered for funding.** The application deadline will also be stated in the City's Budget Calendar each fiscal year, at least 30 days prior to the due date. If an agency is applying for more than one program or service, a separate application must be submitted for each program or service.

Applications must be made for a particular program or service of the Agency, not for the agency itself. Applicants must also submit a program or service budget that includes 1) only direct cost and expenses, and 2) all available revenue.

Programs: For programs, approved funding will be a percentage of total direct program costs equal to or less than the percentage of direct program recipients that are City residents. Applicants must therefore include with their budget a breakdown (expressed as a percentage) of the targeted direct recipients of the applied-for program that are City residents.

Services: For services, approved funding will be made on a per-service or per-person basis for City residents who qualify, up to a not to exceed total dollar amount. Applicant must therefore include with their budget a breakdown of the number of City residents to be served, the total number to be served, and the cost/person or cost/service (based on the total served).

### **Consideration of Applications**

Applications must be submitted to City staff in accordance with the directions contained on the application. Staff will be available to offer technical assistance to applicants as requested prior to application submission. Upon receipt of the applications each year, City staff will do the following:

1. Assign each funding requests to a funding category (See Chapter 2);
2. Assess all applications received for following:
  - a. Completeness and compliance with application requirements (Instructions will be provided with the annual fiscal year application);
  - b. Eligibility of the program or service under the City's legal funding limitations (see Chapter 2);
3. Notify Applicants whose application is ineligible for funding; and
4. Make a report to City Council who will make the final decisions regarding funding.

## Training and Technical Assistance

The City may offer training for applicants of the Special Applications process. If offered, the training will be publicized, and agencies submitting applications for the immediately preceding funding cycle will also be notified. Whether or not training is offered, City staff will be available to provide technical assistance or answer questions prior to application submission. Applicants should feel welcome to contact City staff for assistance.

## Funding

Approximately 0.5 percent of the General Fund budget appropriations should be available for distribution to nonprofit agencies through the Special Appropriations program each year. City Council may adjust this percentage set aside in their discretion. They will consider the applications as part of the normal budget process. All applicants will be notified when a final decision has been made with respect to their application. All applicants will be required to enter into a Special Appropriations Funding Agreement and can expect to receive funding within 30 days of the Agreement being fully signed.

## The Special Appropriations Funding Agreement

The City of Hendersonville and the nonprofit agency must sign a Special Appropriations Funding Agreement before any grant funds can be disbursed. A copy of the agreement template is included in the Special Appropriations Policy, included in this Manual as Appendix 2. This agreement will be a binding, legal obligation, of the agency. It will state the total amount of funding approved, the basis of payment (percentage or per unit), and describe the program or service to be provided by the Agency in exchange for the City's funding. The Agreement will also obligate the agency to comply with the terms of the Special Appropriations Policy and this Manual. Of special note: the agreement will obligate the agency to refund funds that are not spent or funds that are not spent appropriately.

## CHAPTER 6 CITY OVERSIGHT, DOCUMENTATION AND AGENCY REPORTING

The City is responsible for ensuring that City funds are spent for allowable purposes. Because of this, the City must build accountability into the Special Appropriations Program for the nonprofit. This Chapter describes the accountability requirements.

### City Oversight

The City of Hendersonville staff may use a combination of progress reports, desk monitoring, and site visits to monitor activities carried out in the implementation of the Special Appropriations program. The need for monitoring, and the level of monitoring, shall be determined in the sole and absolute discretion of the City, based upon the factors indicated below.

#### Levels of Monitoring



The level of monitoring will be determined annually based on:

- Experience of the Agency or Agency staff in administering publicly funded projects.
- Performance by the Agency in previous years.
- Performance by the Agency with other City or grant-funded projects or programs.

The City reserves the right to initiate or change the level of monitoring for a Nonprofit during a program year if circumstances indicate that the change is warranted. A decision to change the level of monitoring is in the City's sole discretion.

#### *Progress Reports*

Progress reports may be required of any Agency. Where required, Progress reports are to be submitted either monthly or quarterly. The City will determine the required reporting periods. Reports will include the following:

- Data on the status and accomplishments of their project (s) including the number of units completed and/or persons served
- Program or service outcomes
- Amount of funds expended or obligated
- Schedule updates and any factors which adversely affect or hinder implementation
- Changes, opportunities, or new funding sources

#### *Desk Reviews*

Desk reviews will be conducted by CD Staff when more specific or detailed information is needed or when potential problems are identified. Specific information needed for a desk review will be requested in writing and the agency will be given at least two weeks to provide the information.

#### *On-site Reviews*

On-site reviews will be conducted at least annually for projects or agencies deemed to be high risk. High risk includes, but is not limited to:

- Monitoring History
  - Inability to clear outstanding issues
  - Implementation of actions to correct past findings
- Recent Problems
- Letters of complaint
- Inaccurate/ incomplete/ late project submissions or progress reports
- Audit findings or no audit
- Failure to meet agreed-upon schedules
- Failure to comply with provision(s) of Special Appropriations Funding Agreement

- Poor performance/compliance in other programs administered by agency
- Program Performance/Local Capacity
  - No previous experience with a certain type of activity
  - Past difficulties in carrying out a certain type of activity
  - Low productivity or unusually high productivity without explanation
  - Low-quality program documentation
  - Lack of progress in spending City funds
  - Staff turnover/ inexperienced staff
  - Change in agency or program leadership
  - Significant change in goals and direction of administering agency; and
  - Poor quality business plan.
- Program Complexity
  - Large amount of City funds awarded
  - Large number of projects
  - Projects involving multiple transactions and several parties
  - Programs that add a number of local conditions or preferences; and
  - Number of local lending partners or other funding sources

During an on-site visit, the City staff will:

- Meet with appropriate key representatives of the Nonprofit organization and explain the visit's purpose and schedule
- Review as necessary any appropriate material generated by the Nonprofit which provides more detailed information or information on project descriptions, budget, status, eligibility, national objectives, etc.
- Review pertinent nonprofit files, where appropriate, for required documentation and verify the accuracy of information provided to CD, particularly in the Progress Reports
- Interview Nonprofit 's staff to discuss the Nonprofit 's performance
- Visit project sites for a sample of activities being monitored. Based on the examination of the Nonprofit 's files and interviews with Nonprofit staff, the need for visits to other project sites may be indicated
- Hold an exit conference or other form of consultation with key representatives of the Nonprofit organization to present preliminary conclusions resulting from the visit to ensure that the conclusions are based on accurate information

## Documentation

All agencies receiving Special Appropriations funding are required to establish and maintain sufficient records to enable the City to determine whether the Agency has met its obligations under the Special Appropriations Policy, this Manual, and the Special Appropriations Agreement. These records will not be submitted to the City unless requested; however it is critical that the agency maintain them. If the City requests the required records and the agency cannot provide them, the agency will be required to refund all City monies appropriated for that fiscal year.

## Reporting – the Annual Performance Report (APR)

All nonprofit agencies receiving funding through the Special Appropriations Process will be required to submit an Annual Performance Report (See Definitions). This is a summary report that demonstrates that funding parameters and service requirements, outlined in the Special Appropriations Application and Contract, that the City relied on in making its funding decision, were met. This report should summarize the outcomes, successes, and use of resources in meeting the goals and objectives of the City. This report should be submitted to Adam Murr, City Budget Manager, no later than August 31<sup>th</sup> following the end of the fiscal year. *Failure to submit this report may result in an agency being ineligible for consideration for funding in the next funding cycle.*

## Other Requirements

- The Nonprofit must have an adequate financial system and internal fiscal controls.
- Expenses paid with City funds must be necessary, reasonable, nonduplicative, and directly related to the activity and fully articulated in the signed nonprofit agreement. The City will not pay the indirect costs to the Nonprofit.
- Agencies must be in compliance with all applicable state, federal and local laws, rules and regulations.
- Agencies must not discriminate on the basis of race, color, national origin, ethnicity, gender, gender identification, religion, limited English proficiency, disability, or age in the provision of their programs and services funded with City dollars.
- All nonprofit corporations receiving more than \$5,000.00 in public funding within a fiscal year, including grants, loans, in-kind donations, or any other public funding, regardless of whether the funding is from the a local or state government, or the federal government, must provide its latest annual financial statement upon written demand from any member of the public per NCGS § 55A-16-24. This statute should be consulted for details on the details of this requirement, as well as any applicable exceptions.
- The City may require an audit of an agency receiving funding through the Special Appropriations Program. If an agency receives at least \$1,000 in funding the agency must also file a copy of the audit with the office of the State Auditor per NCGS § 159-40. This statute should be consulted for the details of this requirement, as well as any applicable exceptions.

- The confidentiality of all clients (including the name of the client, services provided to a client, and the reason(s) for such services) must be maintained by nonprofits at all times, except when disclosure of such information is authorized by provisions listed in the executed Agreement, prearranged agreement with the clients, or required by law or court order.

### Special Notes

- City funds cannot reimburse sales tax on purchases made for the program or service as those are eligible to be reimbursed by the State of North Carolina.
- City funds cannot reimburse expenses which can readily be reimbursed from an alternate source.
- Conflicts of Interest:
  - If a City Council member sits on the Board or is an officer of a nonprofit agency that is applying for funding from the City, please do not involve the City Council member in the funding request or lobby them for their vote of approval. NCGS preclude that City member from voting on the funding.
  - No employee, officer or agent of the Nonprofit shall participate in the selection, or in the award, or administration of, a contract supported by City funds if a conflict of interest, real or apparent, would be involved.
  - No covered persons who exercise or have exercised any functions or responsibilities with respect to City funded programs or services, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the City funded program or service, or with respect to the proceeds from the City funded program or service, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, or the Nonprofit.

## CHAPTER 7 SPECIAL APPRECIATION FOR ALL YOU DO

*The City of Hendersonville wishes to thank you for your service to our community and for your interest in applying to the Special Appropriations Program.*

# City Council Core Values & Beliefs

The City Council of the City of Hendersonville has established the following core values and beliefs.

**The City of Hendersonville believes municipal government should be non-partisan.**

- Political affiliations are not productive to solving problems of local communities.
- City leaders and staff must lead by example and meet regularly with people who have different points of view.
- City leaders and staff must maintain an awareness of local, state and national political trends but must lead the City in a manner that serves all community members.

**The City of Hendersonville values open, transparent communication and trust with the community and each other.**

- The City will openly communicate with the public and each other to ensure information about services, policies and programs are available to all.
- The City will build trust through ethical and transparent leadership.
- The City will share information and solicit feedback prior to the implementation of new programs and policies.
- The City will be open to concerns and comments from all stakeholders and will ensure the community can easily speak to leaders without fear of retribution/embarrassment.

**The City of Hendersonville believes community members expect services to be delivered at a high level.**

- The City will deliver services at a high level to make people feel their taxes and fees are being used effectively and to encourage others to live in our community.
- The City will deliver services in a manner that ensures the safety of the community.

- The City will deliver services in a manner that limits the disruption of our community members' daily lives to the greatest extent possible.

**The City of Hendersonville values all community members through promoting diversity, equity, and inclusion.**

- The City must evaluate all laws, policies, and rules to ensure that they can be implemented and enforced in a fair and equitable manner.
- The City must evaluate all current and future programs, projects, or initiatives to ensure they build a culture where differences are valued.
- The City must ensure that leaders and staff consistently work to build trust and positive relationships throughout our entire community.

**The City of Hendersonville values its employees and must support them to ensure the provision of high-quality services to its residents.**

- The City must provide growth opportunities to employees and educational tools to allow them to grow in their roles and responsibilities.
- The City must respect and pay employees fairly and competitively.
- The City must support employees by providing a safe and hazard free workplace.

**The City of Hendersonville believes that it must pursue and provide opportunity for responsible growth.**

- The City will establish and maintain policies and programs that encourage economic opportunity and help grow small business and entrepreneurship.
- The City will work with our community to provide educational opportunities about growth and its impact on economic vitality and quality of life .
- The City will encourage responsible growth that provides opportunities for success to all segments of our community.
- The City will make efforts to generate affordable housing options and reduce the impacts of the high cost of living within our community.
- The City will prioritize the protection of existing residential neighborhoods when making growth decisions.


**The City of Hendersonville values the lives of all community members and must protect them through collective action.**

- Our goal is to make the lives of all residents better through collective action.
- The City recognizes the sanctity of each person's life.
- The City must be open to change priorities and policies as circumstances change in the world around us.

**The City of Hendersonville believes environmental sustainability is critical to preserving the community for future generations.**

- The City will evaluate the environmental sustainability of all projects and programs while maintaining a solid relationship with residential and business development.
- The City believes that it is our responsibility to protect all our natural resources and the environment through the implementation of sustainable and responsible projects.
- The City must lead by example by evaluating all city operations to ensure they protect or repair the natural environment and are environmentally sustainable.
- The City will prioritize the protection of existing tree canopy and the development of greenspaces and parks.

**APPENDIX 2**  
**SPECIAL APPROPRIATIONS POLICY AND AGREEMENT**

	<b>CITY OF HENDERSONVILLE</b>	<b>Policy Number:</b>	
		<b>Adopted by Resolution Number:</b>	
<b>Policy Name:</b>	Special Appropriations Policy	<b>Date Adopted by City Council:</b>	May 5 <sup>th</sup> , 2016
		<b>Date Revised by City Council:</b>	July 7, 2022

**SECTION 1. Special Appropriations Overview**

A special appropriation is an allocation of funding to a specific outside agency. An agency may request for funding with the City each year during the budget process. City Council approves special appropriations based on applications submitted. This application provides general and specific information regarding the agency requesting funds and the purpose for how the funds will be used.

**SECTION 2. Purpose**

The purpose of the City’s Special Appropriations Policy is to provide legal references and a general framework for the effective, efficient, and equitable distribution of City funds to outside agencies in the most financially prudent manner as possible while minimizing risk.

**SECTION 3. Legal Considerations**

The North Carolina Constitution and General Statutes provide the legal framework under which local governments operate.

- 3.1 The three key legal limitations to the expenditures of public funds are (1) the expenditure be for a public purpose, (2) the activity supported be one in which the local government has the statutory authority to engage, and (3) the expenditure not be inconsistent with the laws or the constitution of the state or federal government.
- 3.2 The courts have used two guiding principles in determining whether a particular activity is for a public purpose: (1) whether it involves “a reasonable connection with the convenience and necessity of the [local government]”, and (2) whether it “benefits the public generally, as opposed to special interests or persons.”
- 3.3 The City’s statutory authority primarily comes from Chapter 160A of the North Carolina General Statutes.
- 3.4 A local government may contract with faith-based organizations if the contract (1) has a secular purpose, (2) has a primary effect of neither advancing nor inhibiting religion, and (3) does not create an excessive entanglement between the government and religion.
- 3.5 Another key constitutional limitation is the exclusive emoluments clause of the North Carolina Constitution which states that “No person or set of persons is entitled to exclusive or separate emoluments or privileges from the community but in consideration of public services.” N.C. Const. Art. I, § 32



**SECTION 4. Guidelines**

The City will abide by the following guidelines in the annual selection and disbursement of special appropriations.

- 4.1 The City Budget Officer shall be responsible for organizing, collecting, and submitting requests for special appropriations to the City Council for their approval in the City's budget process. When the requests are submitted to City Council, the Budget Officer in consultation with the City Attorney will ensure that requests which are not eligible for funding under Section 3, Legal Considerations, are identified for City Council.
- 4.2 The date that special appropriation requests are due shall be published in the City's Budget Calendar each fiscal year at least 30 days prior to the due date.
- 4.3 During the process certain requests may be deemed necessary and shall be assigned to the "Full Funding List" by City Council any time prior to the adoption of the annual Budget Ordinance. Requests assigned to the Full Funding List will require a unanimous vote from the City Council each fiscal year. The "Full Funding List" does not guarantee the request will be approved and still must be adopted as part of the City's annual Budget Ordinance.
- 4.4 Funding requests must be for a specific program or service that the City would be legally authorized to undertake that the requesting agency proposes to operate or provide to the public
- 4.5 All requests not assigned to the Full Funding List shall be discussed at a normal Budget Workshop of the City Council. In addition to discussion, the City Council shall recommend appropriation levels for each request. The City Budget Officer shall provide a recommended total funding level for all requests not on the Full Funding List.
  - 4.4(a) The City Budget Officer will calculate an amount equal to approximately 0.5% of the total General Fund appropriations; this will be the Budget Officer's recommended appropriation level.
  - 4.4(b) The City Budget Officer will categorize requests not assigned to the Full Funding List for City Council consideration.
- 4.6 Final approval of funding for special appropriations shall be made in the annual Budget Ordinance.
  - 4.5(a) Any request for funding outside of the normal special appropriations process may be heard at the City Council's discretion.
- 4.7 After funding has been approved, the requesting agency shall agree to and sign a Special Appropriations Funding Agreement (template, APPENDIX A) with the City of Hendersonville before any funds will be appropriated. The Special Appropriations Funding Agreement shall be based upon the template attached (APPENDIX A) but may be modified to contain such provisions as are necessary to comply with federal, state and local laws, rules and regulations as determined by the City Attorney, or to contain such administrative provisions as determined appropriate by the City Finance Director or City Manager. The City Manager or Mayor shall have the authority to sign the Special Appropriations Funding Agreement, as modified, provided the funding aligns with that approved

**APPENDIX 2**  
**SPECIAL APPROPRIATIONS POLICY AND AGREEMENT**

by City Council for the requesting agency. Administration of the appropriated funds shall be in accordance with the City's Special Appropriations Recipient Manual.

APPENDIX A

**SPECIAL APPROPRIATIONS FUNDING AGREEMENT  
NORTH CAROLINA  
CITY OF HENDERSONVILLE**

This Agreement made and entered into the 1st day of July, [YEAR] by and between the City of Hendersonville, North Carolina, hereinafter referred to as the “CITY”, and the [ORGANIZATION NAME], hereinafter referred to as the “AGENCY.”

WHEREAS, the CITY has requested services from the AGENCY to carry out its programs and activities; and

WHEREAS, the CITY, through its City Council, has appropriated the sum of [DOLLAR AMOUNT] in funding for the fiscal year ending June 30, [YEAR] to support this purpose, subject to the terms hereof; and

WHEREAS, the terms and conditions for receiving said funds from the CITY set out herein are necessary to insure accountability for the expenditure of public funds by the CITY.

NOW, THEREFORE, in consideration of the following the parties hereto do mutually agree as follows:

1. The AGENCY agrees to use the funds appropriated by the CITY in a manner and for the purposes specified in their Application, a copy of which is attached hereto and incorporated by reference as if to set forth fully herein. Funds shall not be used for indirect costs of the AGENCY.
2. In consideration for the performance by the AGENCY of the services or program outlined in its application, the CITY agrees to pay the AGENCY up to the amount of money authorized in the CITY budget for the fiscal year. Payment of such amount shall be made in a manner determined by the CITY.
3. [RESERVED FOR INSERTION OF ANY SPECIAL PROVISIONS APPLICABLE]
4. Use and administration of the funding received shall also be governed by the City’s Special Appropriations Recipient Manual (incorporated herein by reference), and the AGENCY agrees to comply with its terms.
5. If the AGENCY violates any of the provisions of this Agreement, the CITY may terminate this Agreement (upon thirty (30) days written notice of the same to the AGENCY). In such event, all unexpended funds at the time of such termination, whether held by the AGENCY or the CITY, shall be the property of and be returned to (or remain with) the CITY.
6. The AGENCY shall not assign any interest in this Agreement and shall not transfer any interest in the Agreement without prior written consent of the CITY.

## APPENDIX A

7. In connection with the performance of this Agreement, the AGENCY shall not discriminate against any employee, applicant for employment, or program participant because of race, religion, color, sex, age, handicap, or national origin, or on account of their limited English language proficiency.
8. The AGENCY shall maintain all accounts, books, ledgers, journals, and records in accordance with generally accepted accounting principles, practices and procedures, and as stated in the Special Appropriations Recipient Manual.
9. Upon request of the CITY the AGENCY shall submit to the CITY a status report of all program activities including a summary of the accomplishment of stated goals and objectives.
10. Upon request of the CITY the AGENCY shall provide an accounting of CITY funds to the CITY to demonstrate that funds allocated to the AGENCY have been used for the purpose(s) specified herein. The accounting report shall be submitted to the CITY within 30 days of the request. Further, the CITY shall be entitled to audit the AGENCY's expenditure of CITY funds at the CITY's discretion. Any excess funds must be returned to the City within 30 days of the end of the fiscal year ending June 30, **YEAR**. CITY Funds not used for the expressed purpose(s) stated herein must be reimbursed to the CITY within thirty (30) days of the CITY's request for said funds.
11. The CITY shall be entitled to conduct an evaluation of the AGENCY's programs and activities particularly as it relates to the accomplishments of established goals and objectives and the measurement of services being delivered.
12. All books and records shall be maintained by the AGENCY for a period of at least three years from the date of the final payment under this Agreement and shall be made available for audit or evaluation upon request during regular business hours of the AGENCY. [Note: certain funding requirements may extend this requirement beyond three (3) years – this should be modified accordingly.]
13. The AGENCY must have the policies in place required by the City's Special Appropriations Recipient Manual.
14. The parties agree that the programs or services funded pursuant to this Agreement shall not be considered a joint venture or partnership between the AGENCY and the CITY. The AGENCY shall remain an independent contractor and the CITY is in no way responsible for the administration and supervision of the AGENCY'S officers, employees, partners, and agents, which persons it is agreed are not officers, employees, or agents of the CITY.
15. The Agreement may only be amended by written amendments mutually agreed upon by and between the CITY and the AGENCY.

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APPENDIX A

AGENCY APPLICATION WITH ATTACHMENTS

[ATTACH COPY]

City of Hendersonville

Request for Special Appropriations FY22-23

Contact: Adam Murr, 828-233-2879, amurr@hvlnc.gov, City Hall Rm. 326

[Submit forms by February 25, 2022]



Organization's Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Website address: \_\_\_\_\_

A. GENERAL INFORMATION

1. Please identify the program you are requesting funding for: \_\_\_\_\_

Note: The city may not fund general operational expenditures for a nonprofit, therefore the city will only consider funding a program that the city has the authority to provide.

2. Contact Person/Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

3. Estimated total number of individuals served in the last complete fiscal year by this program: \_\_\_\_\_

4. Estimated total number of the above individuals who are City residents: \_\_\_\_\_

Please attach any documentation that supports this number.

Estimated percent of people served who are City residents: \_\_\_\_\_

5. Amount of Request: \_\_\_\_\_ 6. Total Program Budget: \_\_\_\_\_

Percent of total program budget you are requesting from Hendersonville: \_\_\_\_\_

7. Please state the mission of your agency: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

8. Will the funding be used to:

\_\_\_ Maintain an existing program \_\_\_ Expand an Existing Program \_\_\_ Start a new program

9. Has your organization received funds from the City in the past for this or a similar program? \_\_\_\_\_

APPENDIX 3 - APPLICATION

If yes, please answer the following:

a. Does the amount of your request represent an increase over your previous appropriation? \_\_\_\_\_

If yes, explain the reason(s) for the increase. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Were any conditions or restrictions placed on the funds by the City Council? \_\_\_\_\_

If yes, describe how those conditions or restrictions have been met. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**B. Program Overview.**

**1. Statement of Need:** Identify the issue or need that the program will address (use statistical data to justify the need for the program). To what extent does this need, or problem exist in the City of Hendersonville?

**2. Program Summary:**

**a. Identify the target/recipients of program services.** Specify the number of City residents your program will serve during the fiscal year and explain the basis upon which this number is calculated. Indicate any eligibility requirements your program has (eg. income or other).



## APPENDIX 3 - APPLICATION

**b. Identify what is to be accomplished or what change will occur.** (e.g., begin your sentences with “The purpose of the program is to provide ...” and describe the services to be provided.)

### **3. Program Funding:**

**a. Identify how City funds, specifically, will be used** (i.e., funds will provide “X” units of service.)

**b. List the other agencies to whom you are submitting a request for funds for this program and the amount requested. Please also identify other funding sources already secured.**

APPENDIX 3 - APPLICATION

c. How would this program be modified should the city not fund your request?

**C. Organizational Capacity.**

1. Describe your agency's capability to provide the program including its history, previous experience providing this service, management structure and staff expertise.

2. Does your organization have a strategic plan and a strategic planning process in place? \_\_\_\_\_

The strategic plan includes a mission statement, goals, action steps to achieve the goals, and measures that assess the accomplishments of the goals. The Strategic Plan must be provided to the City upon request.

3. What is the authorized size of your board of directors? \_\_\_\_\_

How many meetings were held by the board last year? \_\_\_\_\_

4. Does your organization have an audit performed? \_\_\_\_\_

The audit must be provided to the City upon request.

We, the undersigned, confirm the information contained herein is accurate and can be verified as such. We understand and agree if the request funds are approved the disbursement of funds are subject to all conditions established by the City Council. We further certify that if funding is approved that our organization has the resources and staffing capacity to carry out the program as described. The city reserves the right to request additional documentation to verify information provided or statements made in the application.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Name and Title