

Adopted January 8, 2014

## Town of Chevy Chase Contribution Policy

### **Recitals:**

From time to time, the Town of Chevy Chase, its Town Council and its Committees have been asked by individuals or organizations to contribute funds for charitable purposes.

The Town Council recognizes that primary purposes for which Town funds should be expended are those identified in the municipal charter and Local Government Article of the Maryland Code.

The Town Council finds that there are circumstances in which another organization may be providing facilities or services that correspond to the purposes for which Town funds may be expended.

The Town Council finds that establishing a policy regarding contributions will provide for the equitable and consistent treatment of those requesting contributions and help to ensure that Town contributions are used for purposes consistent with the Town's general authority under the municipal charter and State law.

### **Now Therefore be it Resolved by the Town Council that:**

The Town Council, as part of its annual budget process, shall establish an amount for contributions to eligible recipients for eligible purposes as defined below. The Town Council shall not be required to spend any or all of the allocation. In addition, if at any point during the year, there are insufficient revenues to meet the Town's operating expenditures, a likelihood of a projected budget deficit, or the need draw on its reserves, the Town Council may elect to forego consideration of requests for contributions.

The Town Council shall establish deadline(s) for submission of requests to the Town. Deadline(s) shall be adopted concurrent with the adoption of the Town Annual Budget. Emergency requests may be considered on a case-by-case basis at the discretion of the Town Council.

The Town Council shall adopt standard operating procedures for the administration of the Contribution Policy.

The Town Council may make, but shall not be required to make, a contribution if the following criteria are met:

1. The Town Council may make expenditures for public purposes, including but not limited to grants and donations to organizations providing services or programs benefiting the Town and its residents.
2. The contribution will provide a direct and material benefit to a significant number of Town residents.

3. The contribution will support a capital improvement or other extraordinary need of a public institution, program or facility.
4. The contribution will supplement and not supplant funds from the requestor's primary funding source.
5. The contribution is important to the success of the project.
6. The request must be made by a Town resident.
7. The recipient of the contribution must be a governmental or quasi-governmental entity or a tax-exempt organization under Section 501 (c) 3 and Section 509 (a) (1) or (2) of the Internal Revenue Code that supports a public institution, program or facility.
8. Requests for donations must be made in writing on the applicant's letterhead and must contain the proposed use of the requested funds and the anticipated timing of the expenditure of the requested funds. Tax-exempt organizations must include documentation of their nonprofit, public charity status.
9. The recipient of any donation or contribution must commit the funds to the use specified in the written request and must provide the Town with a report and receipts documenting that the contribution was used for the purpose(s) for which it was made. The Town Manager will ensure that such documentation is received in a timely fashion.

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## TOWN OF CHEVY CHASE CONTRIBUTION POLICY PROCEDURES

### **BUDGET**

The Town Council, as part of its annual budget process, shall establish an amount in its general operating expenditures for contributions.

### **ELIGIBLE APPLICANTS**

The applicant must be a governmental or quasi-governmental entity or a tax-exempt organization under Section 501 (c) 3 and Section 509 (a) (1) or (2) of the Internal Revenue Code.

### **APPLICATION DEADLINES**

Deadline(s) shall be adopted by the Town Council concurrent with the adoption of the Town Annual Budget. Emergency requests may be considered on a case-by-case basis at the discretion of the Town Council.

### **APPLICATION PROCESS**

#### **I Written Request**

The request must be submitted in writing to the Town Office on the applicant's letterhead and shall be signed by the applicant's executive director or authorized board representative. At a minimum, the proposal must contain the following information.

- Amount requested
- Anticipated timing of the expenditure of the requested funds
- Benefits to the Town and its residents which would result from the contribution
- If appropriate, degree of support, financial and other, from other community entities, municipalities, individuals
- Concise narrative describing the project for which funding is sought, the proposed use of the requested funds and the need for funding

All requests must also include the following information and documentation. The Town Council, may at its discretion, request additional information.

- List of current board members and employees
- Proposed project budget, including income and expenses and a list of other grants and donations secured and/or being sought for the project
- Operating budget for the current year, including income and expenses
- Copy of the most recent Federal Form 990
- For nonprofit organizations, evidence of Federal exemption status under IRS Code Sections 501 (c) (3) and 509 (a) (1) or (2)
- Annual report and/or statement on the applicant's purpose, history and previous accomplishments and current activities

## **II Presentation to the Council**

All requests for a Town contribution shall be included as an Agenda item for Town Council discussion at a public meeting, scheduled by the Town. A Town resident must present the request in person to the Town Council at this public meeting.

At the public meeting, the Town Council shall determine if the request meets the criteria. If the Town Council determines that the request does not meet the criteria, the applicant will be notified in writing of the Council's decision.

## **III Public Hearing**

If the Town Council determines that the request meets the criteria as an initial matter, then the Council shall schedule a public hearing on the request. Final action by the Town Council will follow the public hearing. If the Town Council votes to fund a request, an award letter agreement will be sent to the applicant outlining terms and conditions of the contribution. This letter agreement shall be signed and dated by the applicant and returned to the Town Office in a timely fashion.

### **CRITERIA FOR CONTRIBUTION**

The Town Council may make, but shall not be required to make, a contribution if the following criteria set forth in the Contribution Policy are met.

- The Town Council may make expenditures for public purposes, including but not limited to grants and donations to organizations providing services or programs benefiting the Town and its residents.
- The contribution will provide a direct and material benefit to a significant number of Town residents.
- The contribution will support a capital improvement or other extraordinary need of a public institution, program or facility, as distinguished from supporting a current operating budget.
- The contribution will supplement and not supplant funds from the requestor's primary funding source.
- The contribution is important to the success of the project.

### **CONTRIBUTION REPORTING REQUIREMENTS**

The applicant must use the contribution for the purposes specified in the written request and as approved by the Town Council. Any proposed change in the use of the funds and/or to the timetable for the use of the funds must be submitted in writing and approved in advance by the Council.

All recipients must provide the Town with a final report and receipts documenting that the contribution was used for the purpose(s) for which it was made. The Town Manager will ensure that such documentation is received in a timely fashion.