



**COMMUNITY GRANT POLICY  
TOWN OF FARRAGUT**

Adopted by the Board of Mayor and Aldermen: April 8, 2010  
Revised by the Board of Mayor and Aldermen: January 24, 2019

**Purpose:**

The purpose of this policy is to establish a process for application for, and distribution of, the Town sponsored Community Grant awards. This policy is designed to assist with proper fiscal planning and promulgation of clear guidelines for prospective applicants.

**Scope and Effective Date:**

This policy shall cover all Community Grant applications beginning with FY 2010-2011 and annually thereafter.

**General:**

The Town of Farragut (the "Town") may in the discretion of the Board of Mayor and Alderman award grants to nonprofit charitable organizations or nonprofit civic organizations in accordance with the guidelines provided by T.C.A. 6-54-111, as may be limited by other laws to which the Town is subject, all as reasonably interpreted by representatives of the Town. It is the intent of these guidelines, first and foremost, to provide generally that any funds appropriated shall be used to promote the general welfare of the residents of the Town. Any funds appropriated under the provisions of this policy shall be used and expended under the direction and control of the Board of Mayor and Aldermen in accordance with the laws of the State of Tennessee and United States of America.

**Eligibility to Apply:**

The following groups are eligible to apply for a community grant from the Town:

A. In general, a "nonprofit *charitable* organization" is one in which (i) no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder or individual and (ii) that provides year-round services benefiting the general welfare of the residents of the Town.

B. A "nonprofit *civic* organization" means a civic organization exempt from taxation pursuant to § 501(c)(4) or (c)(6) of the Internal Revenue Code of 1954, as amended, which operates primarily for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the Town by promoting industry, trade, commerce, tourism and recreation by inducing

manufacturing, industrial, governmental, educational, financial, service, commercial, recreational, and agricultural enterprises to locate in or remain in the Town.

C. An organization that would otherwise qualify as eligible for a grant of municipal funds pursuant to Tennessee law (T.C.A. § 6-54-111), may be the type of organization to which it would be improper for separation of church and state principles for the Town to make a grant because it is, or is affiliated with, a religious organization.

D. Eligibility does not equate to entitlement. The Town retains the sole discretion to select from eligible applicants which receive grants.

### **Application:**

A complete Town of Farragut Community Grant Application shall be required (Attachment). The Town operates on an annual Fiscal Year schedule beginning July 01 and ending on June 30 ("Fiscal Year").

### **Application Submittal Period:**

The Town of Farragut Administration Department will accept applications received on or before **4:00 PM on April 1, 2020** for grants distributed in the next Fiscal Year.

### **General Application Requirements:**

Any nonprofit organization that desires financial assistance from the Town shall attach to the Community Grant Application (if applicable as determined by the Town Administrator): a copy of an annual report of its business affairs and transactions, a detailed accounting (audited) of all previous year's receipts and expenditures by line item (not just grant funds), a detailed description of the program and how it serves the residents of the Town of Farragut, and how any Town financial contribution will benefit the residents of the Town of Farragut. The filed Community Grant Application and all accessory documents will be open for public inspection during regular business hours of the Town. The Town reserves the right to request, in its sole discretion, other information either in writing, in interviews or through presentations as the Town deems appropriate.

### **Objectives of Community Grants**

Effectively and efficiently utilize funds through a community grant program to:

- Strengthen our community
- Build relationships through partnerships with community organizations to support shared goals
- Encourage collaboration between existing community organizations
- Empower the community to take an active role in improving the quality of life in Farragut
- Foster community involvement and participation

### **Areas of Funding:**

There are two (2) areas of funding for which an organization can apply. Please review the areas listed below to ensure your organization's goals fall within one of these areas.

- Community Needs Grants are intended to meet specific and identified needs of the Farragut community which provide a substantial benefit with meaningful and measurable results to enhance the welfare and/or public safety of the Farragut community.
- Community Events Grants are provided for non-profit organizations which host events in the Town of Farragut that provide a general community benefit by marketing the Town to tourists, generate additional local sales tax by bringing additional revenue to Farragut business and by providing cultural enrichment to our residents and visitors.

### **Application Evaluation:**

Applications are reviewed for a number of considerations which will determine the merits of the Applicant and Application. These include, but are not limited to, review of the amount of the request, assessment of the applicant's ability to provide meaningful and measurable results, demonstration of substantial benefits to the Farragut community, demonstration of collaboration with other organizations, and determination of applicant eligibility and compliance with policy requirements. The applicant may be asked to submit additional information not outlined in the application. Making a grant application to the Town does not guarantee that the applicant will be awarded a grant. Following review of all applicable information, the Town Administrator, or his or her designee, will draft a recommendation to the Board of Mayor and Aldermen for consideration. The Board will determine by majority vote whether an award can be offered and the appropriate level of funding.

Prior to distribution of any Town funds, a *Letter of Agreement* shall be drafted by the Town and executed between the Town of Farragut and the receiving organization's duly authorized officer. The *Letter of Agreement* will indicate a timeline, the exact amount of funding to be provided by the Town to the organization, detail the benefits to the Town of Farragut from the grant, clearly outline the capital expense, or program of work to be funded, indicate documentation to be provided to the Town of Farragut by the Applicant, monitoring requirements, and outline the respective rights of rescission of the *Letter of Agreement*.

### **Public Notice Requirements:**

Appropriations to nonprofit organizations other than charitable organizations may be made only after notices have been published in a newspaper of general circulation in the Town. The notice will proclaim the intent to consider an appropriation to a nonprofit, but not charitable, organization specifying the intended amount of the appropriation and the purposes for which the appropriation will be spent.

**Monitoring:**

Organizations receiving funds are responsible for managing the day-to-day operations of grant-supported activities using their established controls and policies, as long as they are in accordance with the State of Tennessee and Town of Farragut requirements. However, in order to fulfill its role in regard to the stewardship of public funds, the Town will monitor grants to identify potential problems and areas where technical assistance might be necessary. This active monitoring is accomplished through review of reports and correspondence from the receiving organization, audit reports, site visits, and other information as requested by the Town of Farragut. The names and telephone numbers of the individuals responsible for monitoring the programmatic and business management aspects of a project or activity will be provided to the receiving organization upon distribution of awarded funding.

**Reporting:**

The Town requires that the receiving organization periodically submit financial and progress reports. Other required reports may include an annual audit and a presentation to the Board of Mayor and Aldermen, or selected Town Committee, on the results of the funded program. Receiving organizations may also be expected to publish and provide information to the public on the program benefits to the residents of the Town of Farragut. Reports of expenditures are required as documentation of the financial status of grants according to the official accounting records of the receiving organization. Receiving organizations generally must retain financial and programmatic records, supporting documents, statistical records, and all other records that pertain to a grant, or may reasonably be considered pertinent to a grant, for a period of three (3) years from the date of award.