



## **Community and Regional Organizations Guidelines and Procedures**

### **A. Statement of Purpose**

The city of Portsmouth (city) recognizes that nonprofit organizations play an important role in improving the quality of life for our community. To encourage nonprofit organizations to provide services that affect the welfare of Portsmouth residents, the city has established the following policy for awarding monetary support to qualified nonprofit organizations. These awards are intended to:

1. Provide incentive funding to nonprofit organizations serving Portsmouth, whose services are easily accessible to Portsmouth residents and whose service costs can be documented. A goal of the process is to encourage community support for programs, so that city's funds can be replaced with funds from other sources. This will allow the city's funds to be directed towards new programs in the future.
2. Provide funding for services or programs to meet specific needs of Portsmouth residents and support City Council's Vision Principles. Each nonprofit organization will be divided into a program category based on the service they provide to the city. Specific programs or services may be subjected to term limitations.
3. Provide a systematic, impartial, and informed process through which nonprofit organizations may request funding from the city.

### **B. Applicant Eligibility**

An applicant is eligible to apply for an award from the city through *Community and Regional Organizations* (CRO) program if it meets the following criteria:

1. The applicant must provide documentation showing that they have met the legal requirements to be a certified, 501(c)(3)-organization meeting the legal requirements of the Commonwealth of Virginia, the Internal Revenue Service (IRS), and the city of Portsmouth. Further, the applicant's nonprofit status must be independent of the city of Portsmouth. No programs administered by the city of Portsmouth or its departments may apply for funding through CRO.
2. The applicant must provide documentation of significant, measurable direct services provided to the residents of Portsmouth. The organization must be able to provide an unduplicated count of the residents served.
3. If an applicant is located outside of the city's limits, it must be able to show that Portsmouth's residents utilize the majority of the direct service it provides.
4. In accordance with State statutes, the applicant cannot be controlled in whole or in part by a church or sectarian society. Factors considered in making a determination of whether a particular organization is controlled by a church or sectarian society include: the organization under which the tax exempt status is obtained, who administers the organization, and the level of funding from a church or sectarian society.

5. The applicant may not have any permanent city of Portsmouth employees or any city officials involved in the CRO application or reporting process.
6. The applicant must have fulfilled all service, reporting, auditing, and payment obligations for any previous loans or grants from the city.
7. Programs, activities, employment opportunities, and any other operations of the applicant, which may be funded totally or partially by the city of Portsmouth, must comply with local, state, and national legal requirements related to nondiscrimination.
8. The applicant cannot use CRO funding as a means to provide grant or pass-through funding for other nonprofit organizations.
9. All funds awarded through CRO are to remain local (Portsmouth) and are not to be used to fund national organizations (i.e., dues, etc.).

### **C. CRO Application Procedure**

The following guidelines are established as minimum procedures for awarding funds through the *Community and Regional Organizations Program*:

#### **1. Application Process:**

- a. Applicants must return completed application with attachments **by 5:00 p.m. Friday, January 13, 2017 to:**

**Department of Finance  
ATTN: Grovena Young  
801 Crawford Street  
City Hall Building, 5<sup>th</sup> Floor  
Portsmouth, VA 23704-3822  
757-393-8831 ext. 6214  
[youngg@portsmouthva.gov](mailto:youngg@portsmouthva.gov)**

**Applications received or postmarked after the published deadline will be deemed ineligible for that year. It is the responsibility of the organization to assure that the application is delivered to the place designated for receipt of applications and prior to the time set for receipt of applications. Applications will also be disqualified if all required information is not provided by the deadline.**

- b. A budget team evaluates applications, determines funding allocations, as well as recommends policies and procedures for the program.

A budget team will be responsible for facilitating the review process and the Department of Finance will coordinate the application process and serve as the central contact for the applicants.

- c. Each year, a public notice of availability of award applications is placed in a local newspaper, aired on Channel 48, and placed on the city's website. Additionally, flyers will be placed in the city's libraries and at the information desk in City Hall. The deadline for applications is stated in the public notice and on the application. The deadline is **Friday, January 13, 2017 by 5:00 p.m.** Also, the application forms will be made available on the city's website following the public notice and will be available on the website until the deadline date.

- d. After the public notice, applications are sent to any organization which requests one as a result of the advertisement, the notice of application availability, and to any agency that requests an application throughout the year. At any point during the year, an agency may request that its name be placed on the list to receive an application for the next application cycle by telephoning the Department of Finance at (757) 393-8831 ext. 6214.
- e. Completed applications are returned only to the Department of Finance by the stated deadline. Applications submitted anywhere other than the Department of Finance may not be considered for funding. The Department of Finance will review applications for completeness within three (3) days of receipt and will contact the applicant if significant information is missing. Upon notification by the Department of Finance, it is the responsibility of the applicant to provide the missing information by the stated deadline. No applicant will be contacted if the application is received three days prior to the deadline date or thereafter regarding missing items. It is the applicants' responsibility to ensure that all the necessary documents are provided.

## 2. Application Requirements:

- a. An application is considered completed when all of the requested information on the application is completed and all of the requested documents have been submitted by the deadline date. Any additional pages and/or comments outside of the space provided will not be considered.
- b. A list of all the required documents is provided on page 8 of the funding application.

**Please note on your application if any or all of these items are currently on file in the Department of Finance. Applications will be disqualified if the required documents are not provided or are not already on file in the Department of Finance. To avoid your application being disqualified, please contact the Department of Finance before submitting your application to ensure that this information is on file.**

## 3. Application Review:

- a. Applications will be reviewed by the budget team as part of the budget process. Specific questions concerning the applications may be directed through the Department of Finance for follow up with the applicant, when appropriate.
- b. All reviews of the applications will be completed prior to adoption of the city's operating budget each year.
- c. There is no provision for appeal beyond the budget team since the award review is approved by City Council via the budget ordinance.

## 4. Award:

- a. Prior to reviewing the applications, the Department of Finance (or City Manager) will inform the budget team of the allocated funding amount that will be recommended to Council for the *Community and Regional Organizations Program*.
- b. The proposed allocated funding amount will be used to assist the budget team in determining each organization's recommended funding level.

- c. Preliminary letters announcing the recommended funding amount will be sent to each organization that receives approval after the budget team determines the organization funding levels. A final award letter will be sent to each organization soon after the adoption of the Operating Budget, no later than June 1<sup>st</sup>. A report indicating the requested and granted amounts for each applicant is compiled and forwarded to the City Manager and Council for their information.

#### **D. Reporting and Payment**

1. **Agency Reporting:** After the determination of the funded levels of the organizations, the Department of Finance will send the applicant all of the necessary forms required for accepting the award, requesting payments, and financial reporting.
  - a. **Conditions of Award:** An organization awarded funding must first accept the allocation by completing the **Community and Regional Organizations Award Agreement (Award Agreement)**, which must be signed by the agency director or designee. The **Award Agreement** outlines the requirements of the award. This form must be sent to the Department of Finance prior to the release of the first payment.
  - b. **Summary of Services:** An organization (Recipient) awarded funding must submit the **Community and Regional Organizations Progress Report (Progress Report, CRO 2)** form and return it to the Department of Finance as indicated below based on the type of award.
    - **Mini Awards (\$5,000 or less):** Recipients must submit a progress report that summarizes services provided utilizing the **Progress Report (CRO 2)**. Since Mini Awards receive all of their funding at one time, Recipients only submit one report, which is the *final report*. The Recipient indicates that it is a Mini Award and marks the *reporting period* in which this report falls under. The final progress report shall include a comprehensive, detailed report of all program activities conducted during the full program performance period, including a final summary of expenditures, and copies of invoices, etc. Recipients must answer all appropriate sections in the **Progress Report** especially all of Section D. A final report is due within 30 days following the completion of the project, but no later than July 15, 2018.
    - **Programs under \$25,000 (amounts over \$5,000 and less than \$25,000):** Recipients must submit two progress reports summarizing services provided utilizing the **Progress Report (CRO 2)**. The first progress report is due prior to the release of the second payment. This report encompasses services and activities provided from July 1 through December 31, 2017, and is due January 16, 2018. The final progress report encompasses services and activities provided from January 1, 2018 through the completion of the project, and is due within 30 days following completion of the project but no later than July 15, 2018. The second (final) progress report shall include a comprehensive, detailed report of all grant activities conducted during the full grant performance period, including a final summary of expenditures, and copies of invoices, etc. Grantees must answer all appropriate sections in the **Progress Report** especially all of Section D.
    - **Programs over \$25,000:** Recipients must submit quarterly progress reports summarizing services provided utilizing the **Progress Report (CRO 2)**. The first progress report is due prior to the release of the

second payment. This progress report encompasses services and activities provided from July 1 through September 30, 2017, and is due October 16, 2017. The second progress report encompasses services and activities provided from October 1, 2017 through December 31, 2017, and is due January 16, 2018. The third progress report encompasses services and activities provided from January 1, 2018 through March 31, 2018, and is due April 16, 2018. The final progress report encompasses services and activities provided from April 1, 2018 through the completion of the project, and is due within 30 days following completion of the project but no later than July 15, 2018. The fourth (final) progress report shall include a comprehensive, detailed report of all program activities conducted during the full award performance period, including a final summary of expenditures, and copies of invoices, etc. Recipients must answer all appropriate sections in the **Progress Report** especially all of Section E.

Please see **page 8** for a schedule listing Progress Reports (CRO2) due dates based on the type of award.

The appropriate city oversight department will review the proposed services and the services delivered to ensure that performance measures outlined are consistent with services proposed in the grant application. If services provided by the Recipient are found to be inconsistent with the Proposed Services as indicated in the application, the Recipient will be contacted to explain the discrepancies. **No further payments will be dispersed until the discrepancies are addressed.** Failure to address discrepancies or the rise of future discrepancies will result in the award being canceled and the remaining amount will be automatically reverted to the CRO miscellaneous account for future disbursements to other agencies. In addition, the Recipient will not be eligible to apply for future awards with the city of Portsmouth. If changes in applicant resources or community needs require adjustments to planned objectives during the fiscal year, these changes will be negotiated between the oversight department and the applicant. The oversight department will forward a copy of the changes to Department of Finance.

**Failure by any organization to submit a progress report will disrupt future payments. If an organization does not submit a progress report on time, a courtesy letter will be sent out to the organization reminding them to submit their progress report. If any organization fails to comply, it may result in the loss of funding for the reporting period and/or remainder of the year.**

- c. **Request for Funds:** The first payment is available at the beginning of the fiscal year **July 31**, and additional payments are dispersed according to the type of funding awarded. An applicant awarded an allocation for more than \$5,000 must submit the request for funds two weeks prior to each payment date. All Recipients must utilize the **Community and Regional Organizations Expenditure and Payment Invoice (Expenditure and Payment Invoice, CRO 3) and include receipts for all expenditures listed.** If there are receipts missing from the invoice, it will not be processed until all receipts have been received by the Finance Department. This form will be sent, along with the **Award Agreement** and the other necessary forms upon approval of award application. Please note that the first payment will not be mailed out until the **Award Agreement** is completed and returned along with the first request for payment. Payments are dispersed as indicated below:

- **Mini Awards (amounts less than \$5,000):** Payments are generally dispersed in one payment. However, this decision is at the discretion of

the Department of Finance. If one payment is allocated, the payment will be received at the beginning of the fiscal year July 31.

- **Projects under \$25,000 (more than \$5,000; less than \$25,000):** Two payments—beginning of fiscal year July 31 and January 1.
- **Projects over \$25,000:** Payments are paid in quarterly installments—beginning of fiscal year July 31, October 1, January 1, and April 1.

Recipients will prepare a request for payment utilizing the **Expenditure and Payment Invoice**. The Recipient must return the invoice and any other related forms to the Department of Finance. While every effort is made to process payment to organizations as quickly as possible, the total process will take a minimum of two (2) weeks from the time the Department of Finance receives the reporting forms from the organizations. Missing or incomplete reports will further delay payment processing.

- d. **Salary Reimbursements:** for all organizations requesting salary reimbursements, the employee(s) must complete a **Time and Activity Tracking Sheet (CRO 4)**. This form must accompany the **Expenditure and Payment Invoice Form**. No salary reimbursement will be made if this form is not completed.
  - e. **Funds Not Requested for Disbursement:** Funds allocated in a fiscal year are intended for use in that particular year. All requests for payments should be received within the times indicated above. If payments are not requested by the specified dates above, the remaining amount will automatically revert to the CRO miscellaneous account for future disbursements to other agencies.
2. **Post Award Charges:** All costs assigned to the award agreement should pass both a reasonable cost test and allocable cost test. The **reasonable cost test** is used to determine that the cost generally is recognized as necessary for the operation of the performance in the sponsored agreement, and is consistent with established agreement and Proposed Services in the application. The **allocable cost test** examines whether a cost is allocable to the sponsored agreement if (1) it is incurred solely to advance the work under the sponsored agreement; (2) it benefits both the sponsored agreement and other work of the program in proportions that can be approximated through the use of reasonable methods; or (3) it is necessary to the overall operation of the program and in light of the guidelines and procedures in this document, is deemed to be assigned in part to the sponsored program.
    - a. **Purchase of Equipment**—Recipient must obtain advance approval through the city of Portsmouth for the purchase and/or lease of any equipment that has a useful life of more than one year regardless of price. In addition, the Recipient must complete an **Equipment Purchases (CRO 5)** form and return it to the city of Portsmouth before any payment will be made for such purchase.
3. **Payment of Award:** the Department of Finance will receive all of the reporting forms from the organizations. After reviewing the agency's performance and, provided all conditions of the award are fulfilled, the Department of Finance will disperse payment.

Recipients will prepare a request for payment utilizing the **Expenditure and Payment Invoice**. The Recipient must return the invoice and any other related forms to the Department of Finance. While every effort is made to process payment to organizations as quickly as possible, the total process will take a minimum of two (2) weeks from the time the Department of Finance receives the reporting forms from the organizations. Missing or incomplete reports will further delay payment processing.

4. **Council Reports:** the Department of Finance will compile performance and financial data semi-annually and forward these reports to the City Manager and City Council for their information.
5. **Report of Audit by an Independent Certified Public Accountant:** Prior to the disbursement of the final payment, a copy of the **Recipient Agency's report or audit for the previous fiscal year** must be forwarded to the Department of Finance with the final Request for Payment.
6. In the award monitoring process, the Department of Finance is responsible for reviewing performance reports of the Recipients to determine if services reported are in line with those known to be available to Portsmouth residents from that agency. Additionally, the Department of Finance is responsible for reviewing payment requests for consistency with funds allocated for a Recipient Agency, and for ensuring that funds are not released if reporting and other requirements have not been fulfilled by the agency.

**Please note:** The budget team reserves the right to amend any of the guidelines and procedures stated above.

**Table 1: Reporting Schedule**

| Activities Provided<br>Timeframe:  | Mini Awards<br>(\$5000 or less)  | Programs Under<br>\$25,000<br>(Over \$5000 and<br>less than \$25,000)  | Programs Over<br>\$25,000  |
|--|--|--|--|
| Services and Activities from :<br><b>July 1 – September 30, 2017</b>             |  |  | <b>Progress Report<br/>(CRO2) due<br/>October 16, 2017</b>   |
| Services and Activities from :<br><b>July 1 – December 31, 2017</b>              |  | <b>Progress Report<br/>(CRO2) due<br/>January 16, 2018</b>   |  |
| Services and Activities from :<br><b>October 1 – December 31, 2017</b>           |  |  | <b>Progress Report<br/>(CRO2) due<br/>January 16, 2018</b>   |
| Services and Activities from :<br><b>January 1 – March 31, 2018</b>              |  |  | <b>Progress Report<br/>(CRO2) due<br/>April 16, 2018</b>   |
| Services and Activities from :<br><b>January 1, 2018 – Completion of Project</b> |  | <b>Progress Report<br/>(CRO2) due 30 days<br/>following<br/>completion of<br/>project, but no later<br/>than<br/>July 15, 2018</b> |  |
| Services and Activities from :<br><b>April 1, 2018 – Completion of Project</b>   |  |  | <b>Progress Report<br/>(CRO2) due 30 days<br/>following completion<br/>of project, but no<br/>later than<br/>July 15, 2018</b> |
| <b>Completion of Project</b>   | <b>Progress Report<br/>(CRO2) due 30<br/>days following<br/>completion of<br/>project, but no<br/>later than<br/>July 15, 2018</b> |  |  |