

Amended Eligibility Guidelines and Reporting Requirements for Disbursement of Town Funds to Non-profit Organizations

Adopted by Resolution 16-G-03, January 12, 2016

Eligibility

- Organizations applying for funds or in-kind services must be community-based and provide services or activities in Herndon.
- Must be established for a minimum of two years.
- Must be chartered or incorporated through the Virginia State Corporation Commission.
- Must be a tax exempt entity as determined by the federal Internal Revenue Service (IRS).
- Must provide an amount from other sources equivalent to 50 percent of the funds requested from the town and document how these funds will be raised. Herndon Community Television (HCTV) is exempted from this requirement as HCTV provides direct services to the government by acting as the town's public television access station.
- Fundraising events requesting labor or material support from the town must reimburse the town 100 percent for this in-kind support. Organizations that provide fundraising events that promote economic development in town may request town sponsorship in the form of labor or materials. The organization is responsible for reimbursing the town 50 percent of the cost of these in-kind services.
- Friday Night Live! will reimburse 50 percent of the Herndon Police Department and the Department of Public Works' (town's) costs not to exceed \$10,000. If there are 12 or fewer concerts due to cancellations, Friday Night Live! will reimburse 50 percent of the town's costs not to exceed \$7,500. The 50 percent would remain the same as long as Friday Night Live! is a free event to the public and the Town is listed as a major sponsor of the event.
- Organizations that received town funding or in-kind services of \$10,000 or greater in the current fiscal year must have submitted the required financial and operating reports before a new grant application will be considered.

Application Process

Application

All organizations applying for funds or in-kind services must submit a completed Non-Profit Grant Request Application by the deadline for submission. Unless otherwise noted, the following documents must be submitted with all applications:

- 1) A budget detailing how the requested funds will be used. The budget should include a listing of services the organization provides the citizens of Herndon and the corresponding amount for each service.
- 2) A copy of the IRS tax exemption certificate. **
- 3) An up-to-date listing of names and affiliations of the principal officers and Board of Directors.
- 4) A copy of the organization's most recent financial report.

Organizations requesting \$5,000 or greater must also submit the following:

- 5) A copy of the certificate of incorporation. **
- 6) A copy of the most recent tax return or a copy of IRS form 990.
- 7) A copy of the organization's Annual Report.

** Organizations that previously applied for and received town funds or in-kind services in the current fiscal year do not need to resubmit items (2) and (5) under the "Application" section (above) unless there are changes or updates to these documents. If changes were made, please submit the most current version of the document(s) with the application.

Transmittal Letter

All organizations applying for funds must submit a transmittal letter that includes the following information:

- Purpose of the organization and description of its programs and activities.
- Goals and objectives of the organization for the next fiscal year.
- Major accomplishments the organization achieved in the Town of Herndon for the past calendar year.
- Specific benefit(s) of the organization's services and activities to Herndon residents.

- Amount of funding or in-kind services requested from the town.
- Purpose for which donation will be used.
- A brief statement of current fundraising activities.
- Statement signed by the principal officer acknowledging that membership or participation is open to all residents and businesses in the town without regard to race, national origin, religion or sex.

Reporting Requirements

Organizations that received grant funding or in-kind services of \$10,000 or more from the Town of Herndon in the current fiscal year must provide a mid-year and a final (or annual) financial and operating report. The final (or annual) financial and operating report will also satisfy items (4) and (7) under the “Application” section (above) when requesting funding for the upcoming fiscal year. The following information should be provided in the reports:

- Summarize the specific programs and evaluate the organization’s success in implementing the programs for which funds were received.
- Explain how Herndon benefited from the services provided.
- Include a year-to- date profit and loss (income) statement.
- Include a year-to-date balance sheet.

Distribution of Funds

Funds will be disbursed two times during the fiscal year. The first half of the approved funds will be disbursed in July and the remaining half will be disbursed by January 31 of the fiscal year.