



## Community Organization Grant Guidelines and Procedures

FY 2022-23

### A. STATEMENT OF PURPOSE

The City of Virginia Beach recognizes that nonprofit organizations fill an important role in improving the quality of life for our community. To encourage nonprofit organizations to provide services that affect the welfare of residents of Virginia Beach, the City has established a system to award monetary grants to qualified nonprofit organizations. These grants are intended to:

1. Provide funding to nonprofit organizations serving Virginia Beach, whose services are easily accessible to Virginia Beach residents and whose service costs can be documented.
2. Provide funding for services to meet specific needs of Virginia Beach residents and to support City Council goals.
3. Provide grant funding for operational support or capital outlay. Programs qualifying for this funding category will be determined by the Community Organization Grant Review and Allocation Committee.
4. Provide a systematic, impartial, and informed process through which nonprofit organizations may request funding from the City of Virginia Beach.

### B. APPLICANT ELIGIBILITY FOR COMMUNITY ORGANIZATION GRANTS

An applicant is eligible to apply for a Community Organization Grant (COG) from the City of Virginia Beach if it meets the following criteria:

1. The applicant must be a nonprofit, 501(c)(3) organization meeting the legal requirements of the Commonwealth of Virginia, the Internal Revenue Service (IRS), and the City of Virginia Beach. Furthermore, the applicant's nonprofit status must be independent of the City of Virginia Beach. Neither City of Virginia Beach departments nor programs administered by the City of Virginia Beach may apply for funding through COG.
2. The applicant must provide significant, measurable direct services to residents of Virginia Beach. The organization must be able to provide an unduplicated count of the residents served.
3. In accordance with Section 15.2-953 of the Code of Virginia, 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.
4. The applicant may not receive grants from other City of Virginia Beach resources. For example, the applicant cannot be eligible to apply for a grant while receiving a grant through the City of Virginia Beach Arts and Humanities Commission.
5. Contractual services that a grant applicant provides the City must be disclosed in grant applications. Payments for such services do not automatically exclude an applicant from grant eligibility. However, grant funds will not be provided to support the same services or costs which are provided under contract to the City.



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6. The applicant may not have any permanent City of Virginia Beach employees nor any City officials involved in the COG grant application, interview, or reporting process.
7. The applicant must have fulfilled all service, reporting, auditing, and payment obligations for any previous loans or grants from the City.
8. Programs, activities, employment opportunities, and any other operations of the applicant that may be fully or partially funded by the City of Virginia Beach must comply with local, state, and national legal requirements related to nondiscrimination. Programs, activities, or other operations of the applicant that may be fully or partially funded by the City of Virginia Beach must not advocate nor advance a particular political or religious viewpoint. An applicant may be disqualified if religion is so pervasive that a substantial portion of the functions of the organization are subsumed in the religious mission.
9. The applicant may not use COG funding as a means to provide grant or pass-through funding for other nonprofit organizations.
10. All funds awarded through COG are to remain local (Virginia Beach) and are not to be used to fund national organizations (i.e., dues, etc.).
11. If awarded a grant, the City shall have the right to audit all books and records relating or pertaining to the agreement, kept by or under the control of Contractor, including, but not limited to those kept by Contractor, its employees, agents, assigns, successors and subcontractors. Contractor shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of the Agreement and for at least three years following the completion of the Agreement, including any and all renewals thereof.

### C. GRANT APPLICATION PROCEDURES

The following guidelines are established as minimum procedures for awarding funds through the Community Organization Grant:

1. Application Process
  - a. Council appoints members to the COG Review and Allocation Committee. The Committee evaluates applications, determines funding allocations, and recommends policies and procedures for the grant program.

The Virginia Beach Department of Budget and Management Services (BMS) coordinates the grant application process, facilitates the grant review process, provides staff support to the Committee, and serves as the central contact for the applicants.

As needed, the City oversight departments review the proposed services and the service delivery reports and provide recommendations to the Committee.

- b. Organizations interested in applying for COG funding can find the application and guidelines on the BMS web site at <https://www.vbgov.com/government/departments/budget-office-management-services/Pages/community-organization-grants.aspx>.



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If an organization does not have access to the web site, BMS can send an application to the organization by contacting Jacqueline Conley at 757-385-8221 or Kaitlyn James at 757-385-8389.

- c. Completed applications are to be returned to BMS by the stated deadline.

**Applications received after the deadline will be deemed ineligible for that year. Applications will also be disqualified if all required information is not provided.**

- d. Copies of completed applications, oversight department recommendations, and other related materials will be distributed by BMS to all Committee members.

### 2. Application Requirements:

- a. The Committee will not consider additional pages and/or comments provided by an applicant; however, responses need not be confined to the space provided on the form.

- b. Attachments to the application must include:

1. The IRS determination letter verifying the applicant's nonprofit, 501(c)(3) status, or proof of application for that status.
2. The most recent IRS filing (Form 990 or 990EZ).
3. The request for taxpayer ID Number & Certification-Substitute Form W-9
4. A Reviewed Financial Statement or Audited Financial Statement by an independent Certified Public Accountant for the most recently completed fiscal year.
5. The applicant's current by-laws.
6. The applicant's charter (Articles of Incorporation).
7. The applicant's registration with the Commonwealth of Virginia Department of Agriculture, Division of Consumer of Affairs.
8. Three bids for each capital item costing more than \$1,000.
9. The applicant's board of director's listing

**Applications will be disqualified if the above mentioned required attachments are not provided.**

### 3. Application Review

- a. Applications will be reviewed by the Review and Allocation Committee. Specific questions concerning the applications may be directed through BMS for follow-up with the applicant, when appropriate.
- b. After the Committee has reviewed the applications, meetings are arranged, if needed, with those City departments (e.g., Housing, Human Services, Health, and Parks and Recreation) whose



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services are most closely associated with the services for which funding is being requested. The purpose of those meetings is to determine if the requested funding would address needs in the community that are not currently being met.

- c. If necessary, the applicant will be scheduled for an interview with the Committee. The interview is the applicant's opportunity to further explain its programs and proposed services. Because the interview provides the applicant an opportunity to be heard, there is no provision for appeal beyond the Committee.

#### 4. Grant Award

- a. Prior to reviewing the applications, the City Manager will provide the Committee with the amount of funding to be recommended to Council for the total COG program. The proposed program funding is designed to assist the Committee in determining final allocations.
- b. Council appropriates a block of funding for the COG program during the second week of May when the Operating Budget is adopted.
- c. During June letters are sent to each applicant announcing the final grant allocations. A report indicating the amount requested and the amount granted for each applicant is compiled and forwarded to the City Manager and City Council for their information.

### D. GRANT REPORTING AND PAYMENT

1. **Agency Reporting:** After the grants are awarded by the Committee, BMS makes available on its web site (shown previously) the forms necessary for accepting the grant, requesting payments, and fulfilling financial reporting requirements.
  - a. **Conditions of Grant Award:** An agency awarded a grant must first accept the grant by completing the Conditions of Grant Award which outlines the requirements of the grant. This form must be signed by the agency director or designee and returned to BMS prior to release of the first payment.
  - b. **Summary of Services:** This form requests both quantitative and qualitative information about the project for which your organization received funding. It is used to report Service Delivery prior to the end of the City's fiscal year (June 30).

If the amount of award is different from the amount requested and this will have an impact on the level of services provided, a recipient organization must reflect the revised figures in the Proposed Services section to BMS prior to the release of the final payment. The Proposed Services section outlines the type and level of services to be provided to Virginia Beach residents.

- c. **Financial Report:** This report is used to illustrate the program's adopted budget. This form is returned to BMS prior to release of the final payment. It is to be submitted to BMS along with the Summary of Services form.
- d. **Request for Funds:** Grant amounts that exceed \$25,000 *for other than capital outlay* should be requested in two payments, with the first payment (50%) available at the beginning of the fiscal year (July) and the second payment (50%) available in January, pending completion of the "Request for Funds" form for each payment. Grant amounts that are \$25,000 or less can be requested in their entirety at the beginning of the year. For *capital outlay grants* that exceed



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\$25,000, 90% can be requested at the beginning of the fiscal year (accompanied by a vendor's price quote) and the remaining 10% in January. All capital outlay requests that exceed \$1,000 must be accompanied by three bids. A receipt for the purchase of the capital outlay item(s) is required before the final payment can be made.

- e. **Funds Not Requested for Disbursement:** Funds allocated in a fiscal year are intended for use in that particular year. If not requested by May 31, the City cannot guarantee that funds will be available for disbursement.
2. **Payment of Grant:** BMS will receive all of the reporting forms from the grant recipient organizations. Upon approval of the forms, BMS will then prepare a payment voucher for signature and will forward the payment voucher to the Finance Department for payment. While every effort is made to process payment to organizations as quickly as possible, the total process may take up to six (6) weeks from the time BMS receives the reporting forms from the organizations to the time the Department of Finance mails the payment. Missing or incomplete reports will further delay payment processing.
3. **Unexpended Funds:** With regard to any awarded funds not expended by a grant recipient during the fiscal year, the COG Committee will decide during the funding allocation process each year which agency or agencies should receive any unexpended funds. The decision on which agency or agencies should receive unexpended funds can change each year, depending on the agencies applying for COG funding and the programs being offered. All COG funds that remain unexpended at the end of the fiscal year will be returned to the General Fund.
4. **Report of Audit by an Independent Certified Public Accountant:** Prior to the disbursement of the final payment, a copy of the agency's audit report for the previous fiscal year must be forwarded to BMS with the final Request for Payment.
5. **Payment Request Review:** The Department of Budget and Management Services is responsible for reviewing payment requests for consistency with funds allocated for a grant agency, and for ensuring that funds are not released if reporting and other grant requirements have not been fulfilled by the agency.