

REQUIREMENTS, PROCESS AND PROCEDURE FOR AWARDING DELAWARE COUNTY FINANCE AUTHORITY ECONOMIC DEVELOPMENT GRANTS TO DESERVING DELAWARE COUNTY NONPROFIT AGENCIES

Mission Statement

The Board of Directors (“the Board”) for the Delaware County Finance Authority (“the Authority”) desires to enhance the quality of life in Delaware County by awarding limited monetary grants to eligible nonprofit agencies within the county on the basis of the agencies’ needs and the direct benefit they provide to the economic development of the community. For the purposes of this grant, economic development is defined as anything that contributes to fostering a healthy and diverse economy. These grants will provide nonprofit organizations in the County a financial resource to complete projects or activities designed to improve the delivery, quality, and efficiency of programs and services to Delaware county residents.

Fund Availability for Grants

The total amount available for grants will be determined as part of the annual budget prior to the application period. There will be no limit on the number of agencies allowed to apply, but the funding available will not increase or decrease based on the number of qualified applications. Additionally, there is no requirement that all the funds appropriated to this program shall be spent. Therefore, if there are not enough eligible projects to utilize the funds available, the remaining funds may be re-appropriated to other purposes in that fiscal year.

Application for a grant is no guarantee of funding. These grants are considered competitive and failure to receive funding in the current year does not preclude an organization’s ability to apply in future years.

The awarding of Economic Development Grants is within the sole discretion of the Board and will be made only upon consideration of written applications, and subject to the requirements and criteria set forth below.

Nonprofit Agency Definition

An eligible nonprofit agency for this program is defined as an organization that the IRS recognizes as exempt from taxation OR an organization which maintains a 501(c)(3), 501(c)(4), 501(c)(5), or 501(c)(6) status. This definition includes organizations that are tax-exempt under section 501(c)(3-6) of the Internal Revenue Code or other applicable provisions of the Internal Revenue Code.

“To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.”

<https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations>

“Internal Revenue Code section 501(c)(4) provides for the exemption of two very different types of organizations with their own distinct qualification requirements. They are:

- Social welfare organizations: Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, and

- Local associations of employees, the membership of which is limited to the employees of a designated person(s) in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.

Homeowners associations and volunteer fire companies may be recognized as exempt as social welfare organizations if they meet the requirements for exemption. Organizations that engage in substantial lobbying activities sometimes also are classified as social welfare organizations.”

(<https://www.irs.gov/charities-non-profits/other-non-profits/types-of-organizations-exempt-under-section-501c4>)

“Section 501(c)(5) provides for exemption of labor, agricultural or horticultural organizations. To be exempt, an organization must meet the following requirements:

- The net earnings of the organization may not inure to the benefit of any member; and
- The objects of the organization must be the betterment of conditions of those engaged in the pursuits of labor, agriculture, or horticulture, the improvement of the grade of their products, and the development of a higher degree of efficiency in their respective occupations.

Generally, an organization is not described in section 501(c)(5) if its principal activity is to receive, hold, invest, disburse, or otherwise manage funds associated with savings or investment plans.”

(<https://www.irs.gov/charities-non-profits/other-non-profits/labor-and-agricultural-organizations>)

“Section 501(c)(6) of the Internal Revenue Code provides for the exemption of business leagues, chambers of commerce, real estate boards, boards of trade and professional football leagues, which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual. An organization that otherwise qualifies for exemption under Internal Revenue Code section 501(c)(6) will not be disqualified merely because it engages in some political activity. In addition, the organization may engage in lobbying that is germane to accomplishing its exempt purpose without jeopardizing its exemption. However, if the organization engages in political and/or lobbying activities, it may need to give members notice of dues used for such activities or be subject to a proxy tax on the amount of the expenditures.” (<https://www.irs.gov/charities-non-profits/other-non-profits/business-leagues>)

Agency Qualification Criteria

While any non-profit organization in the County is welcome to apply for the grant, agencies that meet all or most of the criteria below will be given priority consideration:

1. Provide programs or services that benefit the Delaware County community, without regard to any recognized protected class.
2. Be structured to support an economic development need within the Delaware County community. Examples include but are not limited to upskilling the existing workforce, retaining or expanding existing businesses, facilitating entrepreneurship, retain or expand the existing workforce, and land or site development.
3. Maintain their respective tax-exempt status with the IRS for the duration of the grant period.
4. Comply with all Ohio laws applicable to charitable agencies and is an agency eligible to receive funds appropriated by the Authority as defined under the following Ohio Revised Codes: 307.23, 307.26, 307.692, 307.76, 307.761, 307.85(A), 307.85(B), 1711.22 and 307.698.
5. Be directed by an active board of trustees who have no material conflicts of interest.
6. Have been in existence for at least three (3) years prior to application.

7. Have a stated policy of non-discrimination and comply with all federal and state laws and regulations on non-discrimination and equal opportunity.
8. Operating revenue of the organization, as reported on the most recent 990 report, must be less than \$2.5 million.
9. Agree to be subject to audit to the extent necessary to ensure compliance with these eligibility criteria.

If there are any questions regarding these criteria and an organization's eligibility, those organizations are welcome to contact the Economic Development Office by phone at (740) 833-2107.

Grant Request Qualification Criteria

Grant requests must meet the following criteria:

1. Project or activity must be ready to be completed within the period of the grant award, not to exceed twelve (12) months.
2. Monies requested must not be used to fund operating expenses.
3. Requests are limited to one (1) project per agency. Requests made for multiple projects with the intent for the Board to choose one project or multiple projects will not be considered.

Priority for awards will be given to those organizations that have a project that can be considered a "one-time" project, activity, or capital improvement that enhances the community or the organization's ability to serve the County.

Consideration may be given to those organizations that have not received funding in the past in an effort to spread these funds to as many organizations as possible. While winning an award will not disqualify an agency from receiving an award in the current fiscal year, it will be a consideration made by the Board during the deliberation process.

Economic Development Grant Program Advertising and Timeline

Information about the request for grant applications will be distributed to the local media, on the Authority's website and on social media (for example Facebook, Twitter, etc.). In addition to these public notices, emails (if an email address is on file) or letters will be sent to prior award applicants to let them know that applications are being considered.

The application period will be open for three (3) weeks. Once the applications period is closed, the grant requests will be reviewed and presented to the Board. Grant applications may not be considered if the application is not complete by the deadline: This includes all required attachments/ancillary materials.

It is the goal that within three (3) weeks of the application period close date, the Economic Development Office will determine which projects meet the criteria set forth in this document, and those agencies with eligible projects may be invited to an Authority meeting to provide a 15-minute presentation to the Board about their project. Please note: the 15 minutes will include question and answer time with the Board. Within approximately four (4) weeks of that presentation, the agencies receiving grant awards will be notified and the projects being funded will be announced publicly.

All materials that may be presented to the Board during a 15-minute presentation must be submitted with the grant application. Please note that not being invited to make a presentation is not an indication that a grant request has been denied.

Grant Funds Distribution

As a condition of receiving grant funding, an agency shall be required to enter into a grant agreement with the Authority. Awards made by the Board are considered reimbursement grants, and recipients shall be required to submit adequate documentation of the expenses incurred in accordance with the grant agreement. Once the agency expends the funds, they will submit an invoice to the Authority for reimbursement. The reimbursement request will include the invoice paid in relation to the project and proof of payment (cancelled check, bank statement, etc.). Please note: the Authority will not pay the contractors or other payees for the projects directly. Funds will only be dispersed to the agencies awarded grants and only after those agencies have paid the appropriate payees. All invoices or quotes must be submitted to the Authority within the time period set forth in the grant agreement, with grant periods dependent upon the project, activity, or service to be funded, not to exceed twelve (12) months.