

ANDERSON COUNTY, TENNESSEE

CHARITABLE DONATION POLICY



Originally Adopted by County Commission: December 20, 2021
Approved by Finance Committee: December 13, 2021
Approved by Nonprofit Committee: November 9, 2021

TABLE OF CONTENTS

Introduction	Page 3
Procedures.....	Page 4
Supporting State Law.....	Exhibit A
Application.....	Exhibit B
Sample Resolution.....	Exhibit C

Anderson County, Tennessee Charitable Donation Policy

INTRODUCTION

Pursuant to Tenn. Code Ann. § 5-9-109, the County Legislative Body may appropriate funds for the financial aid of any nonprofit charitable organization, any chamber of commerce, exempt from taxation pursuant to the Internal Revenue Code of 1954, § 501(c)(6) (26 U.S.C. § 501(c) (6)), or any nonprofit civic organization exempt from taxation pursuant to § 501 (c) (4) of the Internal Revenue Service Code (26 U.S.C. § 501 (c) (4)), that operates primarily in the county for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the county 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 county.

This Charitable Donation Policy document is a written guideline with parameters that affect how donations are appropriated. The purpose of the Donation and Policy document is to improve the quality of management and legislative decisions when appropriating donations, to provide justification for the donations, and ensure furtherance of benefitting the general welfare of the residents of Anderson County. In addition, the Charitable Donation Policy assists Anderson County in ensuring that appropriations are made in accordance with Tenn. Code Ann. §5-9-109 and Chapter 0380-2-7 of the Rules of the Comptroller of the Treasury.

Anderson County may, from time to time, review the Charitable Donation Policy and make revisions and updates, if warranted.

Relevant Tenn. Code Ann. is attached to this policy as Exhibit A.

PROCEDURES FOR APPROPRIATION TO NON-PROFIT

1. Authority
 - a. Anderson County will only appropriate funds by utilizing the statutory authority provided by Tennessee Code Annotated.
2. Qualifying Agencies:
 - a. Nonprofit charitable organizations, any chamber of commerce, exempt from taxation pursuant to the Internal Revenue Code of 1954, § 501(c)(6) (26 U.S.C. § 501(c) (6))
 - b. or any nonprofit civic organization exempt from taxation pursuant to § 501 (c) (4) of the Internal Revenue Service Code (26 U.S.C. § 501 (c) (4)), that operates primarily in the county for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the county 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 county
 - c. No part of net earnings inures to the benefit of any individual
 - d. Must provide year-round services
3. Further Qualifications for Funding Consideration:
 - a. Must have a physical presence in Anderson County
4. Application Time Period:
 - a. Application period: Applications may be considered any time during the year, but must be submitted 90 days in advance of expected final hearing/vote.
5. Application Submittal Process:
 - a. Each applicant must fully complete a charitable donation application form. Exhibit B.
 - b. Applicant must provide proof of nonprofit registration.
 - c. Applicant must provide copy of the most recent annual audit (must be within 2 years of current).
 - d. Applicant must provide description of program that serves residents of Anderson County and the proposed use of county assistance.
 - e. Applicant must provide the amount requested.
6. Review of Requests:
 - a. Applications will be received by the Finance Director, 100 N. Main Street, Room 212, Clinton, Tennessee, 37716.
 - b. The Finance Director shall review the applications for completeness and compliance with policy.
 - c. Following review by the Finance Director, applications deemed eligible for consideration will be forwarded to the County Nonprofit Committee for consideration. The Nonprofit Committee serves as a subcommittee of Anderson County Commission.

- d. At a meeting of the Nonprofit Committee, members will review applications and requests and, at the same meeting, make recommendations to the Budget Committee.
 - e. Applicants will be allowed seven (7) minutes for an oral presentation to the Nonprofit Committee, and five (5) minutes for Questions and Answers.
 - f. Following the Nonprofit Committee meeting, recommendations will be forwarded to the Budget Committee and may include:
 - i. Recommendation for approval
 - ii. Recommendation for alternate funding level
 - iii. Recommendation for more information
 - iv. Recommendation for applicant to return at a later date (e.g. capital project request, matching contribution where county may wish to see more progress on nonprofit's fundraising)
 - v. No recommendation
 - g. The Nonprofit Committee shall meet quarterly for purposes of review.
7. Funding of Requests:
- a. Budget Committee will review application requests and recommendations from the Nonprofit Committee.
 - b. Appropriations to nonprofit organizations other than charitable organizations will be published in a newspaper of general circulation in the county of the intent to make 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.
 - c. Approved requests will be forwarded to full commission for approval.
 - d. Commission will make final decision to approve funding recommended by Budget Committee.
 - e. All proposed requests will be approved by resolution. Sample resolution attached as Exhibit C.
8. Report on use of funds
- a. At each quarterly meeting the Finance Committee will present a year-to-date itemization of contributions.
 - b. In compliance with the Appropriation Agreement, the nonprofit will submit a report to the Finance Director by June 30th on the expenditure of the funds appropriated by Anderson County.
 - c. The Finance Director will review all expenditures for compliance and submit an annual report to the Nonprofit Committee by June 30th.

PROCEDURES FOR APPROVING IN-KIND DONATIONS

- 1. In-Kind Donations shall follow the same application process as Procedures for Appropriation to Nonprofits. In-Kind Donations include but are not limited to below market value lease of land, below market value lease of space, utilities, lease/use of equipment.

EXHIBIT A

Tenn. Code Ann. § 5-9-109

Current through the 2021 First Extraordinary and the 2021 Regular Sessions.

- **TN - Tennessee Code Annotated**
- **Title 5 Counties**
- **Chapter 9 Appropriation and Disbursement of Funds**
- **Part 1 Authorized Appropriations Generally**

5-9-109. Charitable and civic organizations.

(a)

(1) The county legislative body or governing body of each county may appropriate funds for the financial aid of any nonprofit charitable organization, any chamber of commerce, exempt from taxation pursuant to the Internal Revenue Code of 1954, § 501(c)(6) (26 U.S.C. § 501(c)(6)), or any nonprofit civic organization in accordance with the guidelines required by subsection (b).

(2) For the purposes of this section:

(A) A nonprofit charitable organization is one in which no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder or individual and that provides services benefiting the general welfare of the residents of the county; and

(B) A nonprofit civic organization means a civic organization exempt from taxation pursuant to § 501(c)(4) of the Internal Revenue Code (26 U.S.C. § 501(c)(4)), that operates primarily in the county for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the county 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 county.

(3) The statement of public policy set forth in Acts 1955, chapter 209, § 3 is hereby incorporated into and made a part of this section, and it is hereby determined and declared that appropriations authorized by this section are needed to relieve the emergency created by the continuing migration from Tennessee and its counties of a large number of its citizens in order to find employment elsewhere, and to enable the counties of the state to assist nonprofit organizations in furthering the economic development, social welfare and common good of its residents.

(b) Each county legislative body shall devise guidelines directing for what purposes the appropriated money may be spent. These guidelines shall provide generally that any funds appropriated shall be used to promote the general welfare

of the residents of the county. Any funds appropriated under this section shall be used and expended under the direction and control of the county legislative bodies.

(c)

(1) Any nonprofit organization that desires financial assistance from the county legislative body or the governing body of the county shall file with the county clerk a copy of an annual report of its business affairs and transactions, which includes, but is not limited to, a copy of an annual audit, a description of the program that serves the residents of the county, and the proposed use of the county assistance.

(2) Such report will be open for public inspection during the regular business hours of the county clerk's office.

(3) Any nonprofit organization that desires such financial assistance may file, in lieu of the annual audit, an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury.

(4) Such report shall be prepared and certified by the chief financial officer of such nonprofit organization.

(5) Financial reports shall be available to fiscal officers of the county and shall be subject to audit under § 4-3-304.

(d) Appropriations to nonprofit organizations other than charitable organizations may be made only when notices have been published in a newspaper of general circulation in the county of the intent to make 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.

History

Acts 1976, ch. 696, § 1; 1977, ch. 120, § 1; impl. am. Acts 1978, ch. 934, §§ 7, 22, 36; Acts 1979, ch. 132, § 1; T.C.A., § 5-932; Acts 1984, ch. 820, §§ 1, 3; 1989, ch. 62, § 1; 1992, ch. 545, §§ 1, 2; 1995, ch. 106, § 1; 1999, ch. 38, § 1; 2010, ch. 740, § 1; 2017, ch. 123, § 1.

EXHIBIT B



ANDERSON COUNTY GOVERNMENT
CHARITABLE DONATION APPLICATION FORM

Name of Organization: _____

Mailing Address: _____

Contact Person: _____

Phone: _____ E-mail: _____

Type of Agency (Please mark one):

☐

Non-Profit Charitable Organization

- * No part of net earnings inures to the benefit of any individual
- * Must provide year-round services

☐

Non-Profit Civic Organization (26 U.S.C.A. § 501(c)(4) or (c)(6))

- * Operates primarily for civic betterments and social improvements through efforts to maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation

If NOT a non-profit charitable or civic organization – STOP. You are not eligible for funding.

Do you have proof of nonprofit registration? YES NO

If NO – STOP. You are not eligible for funding.

Are you based in, or are your activities closely aligned with Anderson County? Explain.

If NOT – STOP. You are not eligible for funding.

Questionnaire

1. Is your organization a recipient of United Way funding? If so, how much? How often?

2. What group of citizens benefits from this organization's service (e.g. all residents, age group, particular community)?

3. Is Anderson County's portion of the money being matched from elsewhere? If yes, from where and what is the matching ratio?

4. If a previous appropriation has been received from Anderson County, for how much and how long?

5. Does your organization support an existing countywide function of government (e.g. health, legal education, public safety, court mediation services)? If yes, describe.

6. Is this an operational request, special project, infrastructure?

7. Is your organization receiving funds from another county or municipality? If yes, how much and from which other entities?

8. Is your organization a recipient of taxes, fees, or in-kind services or support authorized by Anderson County for the benefit of your organization (e.g. court fees for providing mediation for the courts, leased space, utilities)?

Submittal Requirements

Eligible agencies MUST attach the following materials to this application:

- ☐ Proof of Non-Profit Registration
- ☐ A copy of the most recent annual audit (must be within 2 years of current)
- ☐ A description of the program that serves the residents of Anderson County and the proposed use of county assistance
- ☐ The amount requested
- ☐ Proof of physical location in Anderson County

If ALL of the items required are not submitted – STOP. You will not be eligible for funding.

Signature of Person Applying: _____

Title: _____

Applications, with all accompanying attachments, should be sent to the following address:

Anderson County Government
Office of the Finance Director
100 North Main Street, Suite 212
Clinton, Tennessee 37716

EXHIBIT C

SAMPLE RESOLUTION

A RESOLUTION MAKING APPROPRIATIONS TO NONPROFIT CHARITABLE ORGANIZATIONS OF ANDERSON COUNTY, TENNESSEE

WHEREAS, Section 5-0-109, Tennessee Code Annotated, authorizes the Anderson County Legislative Body to make appropriations to various nonprofit charitable organizations; and

WHEREAS, the Anderson County Legislative Body recognizes the various nonprofit charitable organizations providing services in Anderson County have great need of funds to carry on their nonprofit charitable work.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Anderson County, Tennessee, on this ____ day of _____ 2021.

SECTION 1. That _____ dollars be appropriated to nonprofit organizations in Anderson County as reflected below.

Nonprofit Charitable Organization "ABC"	\$0000.00
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BE IT FURTHER RESOLVED that all appropriations enumerated in Section 1 above are subject to the following conditions:

1. That the nonprofit charitable organization to which funds are appropriated shall file with the County Clerk and the disbursing official a copy of an annual report of its business affairs and transactions and the proposed use of the County's funds in accordance with rules promulgated by the Comptroller of the Treasury, Chapter 0380-2-7. Such annual report shall be prepared and certified by the Chief Financial Officer of such nonprofit organization in accordance with Section 5-9-109(c), Tennessee Code Annotated.
2. That said funds must only be used by the named nonprofit charitable organization in furtherance of their nonprofit charitable purpose benefitting the general welfare of the residents of Anderson County.
3. That it is the expressed interest of the County Commission of Anderson County providing these funds to the above name nonprofit charitable organization to be fully in compliance with Chapter 0380-2-7 of the Rules of the Comptroller of the Treasury, and Section 5-9-109 of Tennessee Code Annotated and any and all other laws which may apply to county appropriations to nonprofit organizations and so this appropriation is made subject to compliance with any and all of these laws and regulations.

BE IT FURTHER RESOLVED that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2022. This resolution shall be spread upon the minutes of the Board of County Commissioners for Anderson County, Tennessee.

PASSED this ____ day of _____ 2021.

APPROVED:

Josh Anderson, Commission Chairman

Terry Frank, Anderson County Mayor

ATTEST:

Jeff Cole, Anderson County Clerk