

ANDERSON COUNTY TENNESSEE

CHARITABLE DONATION POLICY



Amended by County Commission: February 22, 2024
Amended by Finance Committee: February 10, 2024
Amended by Nonprofit Committee: February 6, 2024
Amended by County Commission: July 17, 2023
Amended by Finance Committee: July 10, 2023
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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 exempt from taxation pursuant to the Internal Revenue Code of 1954, § 501(c)(3) (26 U.S.C. § 501(c)(3)); 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.

This policy is applicable to donations from all Anderson County funds, with the exception of Anderson County Schools.

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:
 - 1. Recommendation for approval
 - 11. Recommendation for alternate funding level
 - 111. Recommendation for more information
 - 1v. 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; imp. 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.

TENNESSEE CODE ANNOTATED

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EXHIBIT B



ANDERSON COUNTY GOVERNMENT
CHARITABLE DONATION APPLICATION FORM

Submission Date: _____

Name of Organization: _____

Purpose of Request: _____ Amount Requested: _____

Mailing Address: _____

Contact Person: _____ Title: _____

Phone: _____ E-mail: _____

Type of Agency (Please mark one):

Non-Profit Charitable Organization (26 U.S.C.A. § 501(c)(3))

- * 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

SAMPLE RESOLUTION

**Anderson County, Tennessee
Board of Commissioners**

RESOLUTION NO. xx-xx-xxxx

RESOLUTION TO APPROPRIATE COUNTY FUNDS FOR SUPPORT TO NON-PROFIT CHARITABLE AND NON-PROFIT CIVIC ORGANIZATIONS THROUGHOUT THE FISCAL YEAR

WHEREAS, Section 5-9-109, Tennessee Code Annotated, authorizes the Board of Commissioners of Anderson County to make appropriations to various non-profit charitable and non-profit civic organizations;

WHEREAS, the Board of Commissioners of Anderson County recognizes the ongoing need of these organizations to receive financial support throughout the fiscal year to effectively carry out their work; and

WHEREAS, it is the policy of Anderson County Government to maximize the impact of its contributions by ensuring they act as the 'last dollar in', thereby encouraging organizations to secure funding from a variety of sources and ensuring county funds fulfill critical funding gaps;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Anderson County, Tennessee, on this xxth day of Month, 202x:

1. Rolling Application Process:

- Non-profit charitable and Non-profit civic organizations may submit applications for financial assistance throughout the fiscal year.
- Applications must include detailed reports as required under TCA 5-9-109 and demonstrate efforts to secure other sources of funding.

2. Review and Approval:

- Applications will be reviewed on a quarterly basis.
- Approvals will be based on the organization’s alignment with county welfare goals, compliance with legal guidelines, and the adherence to the county’s “last dollar in” policy.

3. Specific Appropriations:

- The following specific appropriations are made to the respective non-profit organizations for the fiscal year [specify year]:

Non-Profit Organization “ABC”	\$0,000.00
Non-Profit Organization “XYZ”	\$0,000.00

4. Funding Allocation and 'Last Dollar In' Contingency:

- Appropriations will be subject to budgetary constraints, guidelines established by the county, and the condition that county funds are the 'last dollar in'.
- Non-profit organizations must provide documentation of other funding sources and demonstrate that the county's contribution is essential to complete the project or program budget.

5. Conditions for Appropriation:

- Non-profit organizations must use funds in accordance with the purposes outlined in their application and in a manner that benefits the residents of Anderson County.
- Non-profit organizations are subject to county audit and must make reports available for public inspection.

BE IT FURTHER RESOLVED that this resolution shall take effect from and after its passage and its provisions shall remain in effect until amended or rescinded. This resolution shall be spread upon the minutes of the Board of County Commissioners for Anderson County, Tennessee.

RESOLVED, DULY PASSED, AND EFFECTIVE this xxth day of Month, 202X.

H. Tyler Mayes, Chairman

Terry Frank, County Mayor

ATTEST: _____
Jeff Cole, County Clerk