



# Newtown Township Policy

**Title: Township financial support of other organizations**

<b>Policy:</b> 2015-01	<b>Replaces:</b> NEW	<b>Issue Date:</b> 2/23/2015
<b>Section:</b> FINANCE	<b>Distribution:</b> BOS, PUBLIC, STAFF	<b>Effective Date:</b> 2/23/2015
<b>Chapter:</b> TBD	<b>Issued By:</b> Board of Supervisor	<b>Review Date:</b> 2/2016

## **Purpose:**

The purpose of this policy is to give the Board of Supervisors, township staff and nonprofit organizations a guideline relative to the Township using local taxpayer monies to support operation of other organization who requesting financial support.

## **Definitions:**

Local Taxpayer monies – any monies that are collected either through Real Estate, 511 taxes, fines, and fees.

Outside Organizations – a not-for-profit or other governmental organizations that provides support or services to the residents, business or land owners of the township. (examples: Fire Company, Library etc.)

## **Policy:**

The Township will only provide ongoing support of \$5000 or over to Non-Profit or a governmental organization that provide a direct service or support to the residents, business or land owners of the township. All support will be based on financial condition and need as shown in the following submissions:

1. An annual budget for the entire organization and how the Township funding will be used by the organization being funded.
2. Audited financial statements from the prior year.
3. A quarterly update of the organization accomplishments, along with the Balance Sheet and quarterly Revenue & Expense Reports
4. A year end explanation of how the Township funded dollars were specially utilized

This policy is not intended to pertain to membership fees for the Township, Board of Supervisors, Staff or Township Volunteers.

No payments from prior year funds will be made to any organization if the organization has not turned in the required information by January 31 of the year following the approved funds.

**Procedures:**

By no later than August 31<sup>st</sup> of each year the organization will submit the Township's Finance Manager a request for funding, along with a preliminary budget and explanation of how the funding will be used to achieve the organization objectives.

If desired by the Board of Supervisors or at the suggestion of the Township Manager the Organization will present to the Board its reason and request for funding.

After the budget has been adopted the Finance Manager will notify the organization if the funding request has been approved.

First Quarter Funding will be released to the organization after the prior year financials or have been given to the Finance Manager and delivered to the Board for review and the expenditure has been approved by the Board.

Second Quarter Funding will be released to the organization after the prior quarter financials or have been given to the Finance Manager and delivered to the Board for review and the expenditure has been approved by the Board.

Third Quarter Funding will be released to the organization after the prior quarter financials and the prior year audit have been given to the Finance Manager and delivered to the Board for review and the expenditure has been approved by the Board.

Fourth Quarter Funding will be released to the organization after the prior quarter financials have been given to the Finance Manager and delivered to the Board for review and the expenditure has been approved by the Board.

Before any additional funding will be released the organization will provide year end explanation of how the Township funded dollars were specially utilized.

**Responsibilities:**

Organization – to timely provide the items requested.

Finance Manager – Make sure the amount requested are put in the budget for consideration. Make sure all documents submitted to the township are made available for the next distribution to the Board of Supervisors

Board of Supervisors – Review materials making sure the funding of the organization is a wise use of Taxpayer funds.

The responsibility of the entity is to get the required requested information to the financial manager in a timely manner. The financial manager will review the request, prepare the appropriate funds and present this information to the Board of Supervisors for approval and distribution.