

DRAFT
RESOLUTION 2024-609

A RESOLUTION TO IMPLEMENT A DONATION POLICY FOR THE TOWN OF WALDEN, TN

WHEREAS, The Town of Walden, by Resolution 2024-609, adopts a donation policy as a way to create consistency and fairness to organizations that ask for the Town's financial support and pursuant to TCA § 6-54-111;

WHEREAS, The Town of Walden, TN will determine donations to "nonprofit charitable organizations " or "nonprofit civic organizations". Nonprofit charitable organization means a charitable organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code and in which no part of the net earnings inures or may lawfully inure to the benefit of any private shareholder of individual and that provides year-round services benefiting the general welfare of the residents of the municipality. Nonprofit civic organization means a civic organization exempt from taxation pursuant to § 501(c)(4) or (c)(6) of the Internal Revenue Code of 1954, codified in 26 U.S.C. § 501(c)(4) or (c)(6), which operates primarily for the purpose of bringing about civic betterments and social improvements through efforts to maintain and increase employment opportunities in the municipality 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 Town of Walden, TN. This Policy excludes utilities, insurance, and certain maintenance expenses for non-profits operating on Town owned properties.

WHEREAS, The Town of Walden will advertise for its intent to accept applications for donations prior to March of each fiscal year. Nonprofit charitable or civic organizations seeking donations from the Town of Walden are required to submit the Charitable Application Form (Appendix 1) on an annual basis starting March 1st through April 1st;

WHEREAS, the Town of Walden Board of Mayor and Alderman will determine total appropriations for all donation requests by nonprofit charitable and civic organization during the annual budget approval process;

WHEREAS, all such funds shall be used to promote the general welfare of the residents of the Town of Walden.

WHEREAS, appropriations to charitable and civic organizations may be made only once notices have been published in a newspaper of general circulation in the municipality of the intent to make an appropriation specifying the intended amount of the appropriations and the purposes for which the appropriation will be spent and that such appropriation be approved by resolution at two regular meetings of the Town or as Tennessee law dictates;

WHEREAS, nonprofit charitable or civic organizations receiving donations shall execute an appropriations agreement with the Town setting forth the terms and conditions of the appropriation in accordance with the Internal Control and Compliance Manual for Tennessee municipalities.

WHEREAS, nonprofit charitable or civic organizations receiving donations shall comply with all requirements of section 6-54-111 of *Tennessee Code Annotated* and Title 4, Chapter 3, Section 1 of the *Internal Control and Compliance Manual for Tennessee municipalities*, particularly with regard to submission of an annual report of its business affairs and transactions, including an audit, the proposed use of the municipal assistance and verification that the donated funds were used per the donation request. Such report shall be open for public inspection during regular business hours of the city clerk's office.

NOW THEREFORE BE IT RESOLVED, that the Town of Walden, Tennessee hereby adopts a donation policy as stated above and attached in Appendix 1. This resolution shall take effect immediately upon passage, this 14th day of May 2024.

Lee Davis, Mayor

Yea:

Nay:

Stacy Stewart, Recorder

Town of Walden Tennessee

Charitable Donation Policy Guidelines Appendix 1-
Resolution 2024-609

Guidelines

1. Authority: TCA § 6-54-111
 - a. All Donations through the Town of Walden General Fund Budget for non-for-profit organizations are to be approved by the Board of Mayor and Alderman (BOMA) during the annual budget approval process

2. Qualifying Organizations:
 - a. Nonprofit charitable organization (26 U.S.C.A 501(c) (3)
 - i. No part of net earnings inures to the benefit of any individual
 - ii. Must provide year-round services
 - b. Nonprofit civic organization (26 U.S.C.A. § 501(c)(4) or (c)(6)
 - i. Operates primarily for civic betterments and social improvements through efforts to maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation

3. Further Qualifications for Funding Consideration:
 - a. The organization must be based in, or its activities closely affiliated and aligned with, The Town of Walden.
 - b. Because the availability of budgeted donations is dependent upon the Town meeting all other expenses and obligations first, the organization must demonstrate that the organization is not dependent on the donation from the Town of Walden to sustain operations.

4. Submittal requirements:
 - a. A copy of the most recent annual audit
 - i. Must be within 2 years of Organizations current fiscal year
 - b. Internally produced year to date financial statements for the time period following the most recent annual audit.
 - c. A description of the program that serves the residents of the municipality
 - d. The proposed use of the municipal assistance
 - e. Proof of nonprofit registration
 - f. Town application form
 - g. Source of all funds
 - h. Application form must be submitted annually (1x annually).
 - i. Verification that previous donations were used in accordance with the donation request.

5. Submittal period: January 1 – March 1

6. Processing of Requests:

- a. Requests for funding shall be submitted to the Town Staff.
 - b. The Staff shall review for completeness and advise the Organization in writing if the submittal is eligible for funding consideration.
 - c. Eligible funding requests shall then be submitted to the BOMA for final approval.
7. Review:
 - a. Town Administrator initial review and recommendation to BOMA during budget review process
 - b. BOMA, during budget work session.
8. Publication of Intent to Fund:
 - a. When the Town determines that it will have available funds to make the donation and prior to the Town Meetings when the Resolution for the donation will be presented.
 - b. Newspaper of general circulation
 - c. Information to be included:
 - i. Intent to make appropriation
 - ii. Intended amount of contribution
 - iii. Purpose to be used
9. Appropriation agreement:
 - a. Required; following budget adoption to satisfy requirements in Title 5, Chapter 29 of the Internal Control and Compliance Manual for Tennessee Municipalities.
10. Annual Report of Activities: Required; as set forth in the appropriation agreement/Resolution.

Town of Walden Tennessee
Charitable Donation Application Form

Name of Organization: _____

Mailing address: _____

Contract person: _____

Phone: _____ Email: _____

Submittal Date: _____ (March 1- April 1 only)

Type of Organization (please mark one):

Nonprofit charitable organization 501(c)(3)

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

Nonprofit civic organization (26 U.S.C.A. § 501(c)(4) or (c)(6))

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

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

Submittal Requirements:

- Eligible organizations must attach the following materials to this application:

- Proof of nonprofit registration
- A copy of the most recent annual audit (must be within 2 years of current)
- A copy of the internally prepared year to date financial statements covering the period subsequent to the audit.
- A description of the program that serves the residents of Walden and the proposed use of municipal assistance.
- Verification that previous donations were used in accordance with the donation request.
- Verification that the organization is not dependent on donations from the Town of Walden to sustain operations.

Signature of person applying: _____

Title: _____

Budgeted donations are to be funded later in the fiscal year when and if the Town determines that it will have sufficient funds to meet all of its obligations for that year.

Applications with attachments should be sent to the following address:

Town of Walden Tennessee
Town Administrator
1836 Taft Highway
Walden, Tennessee 37377