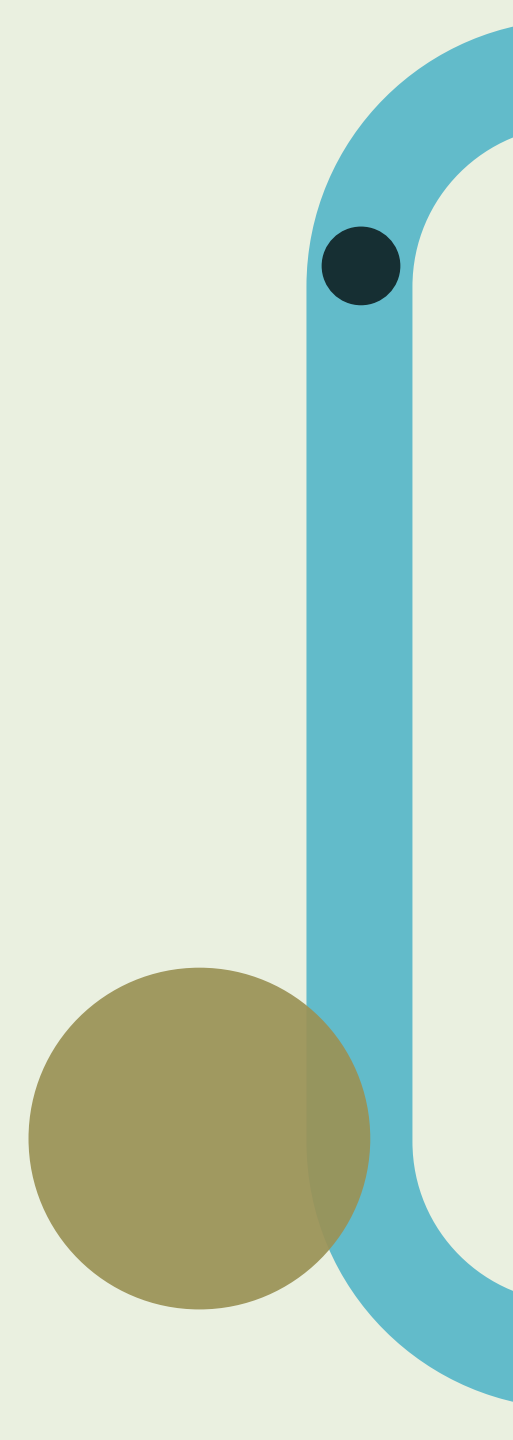


Strings
Attached:
**Tips for
success in
managing
public funds**

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Three Things

Conference Takeaways

Inspiration

Something that inspires you and reminds you your “why”:

Connection

Someone you met and can stay connected to:

Action

An idea you can take home and get started on right away:



The image features a minimalist, abstract design. On the left, a vertical grey line is intersected by two horizontal teal lines. A black dot is positioned at the intersection of the grey line and the lower teal line. To the right, a vertical teal line curves at the top and bottom, with a black dot on its upper section. A large, solid olive-green circle is located in the lower right quadrant. The central text, 'Who is in the room?', is rendered in a teal, sans-serif font.

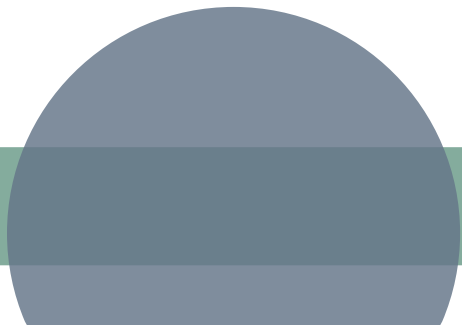
Who is in
the room?



Let's jump in!

1. Role in your nonprofit organization
2. Experience with applying for and/or managing public funds
3. Least favorite thing about government grants/contracts

What are some examples of your least favorite things about government funding?



The Public Funding Iceberg

Money for programs

What People See

- Complicated application forms
- Rigid timelines
- Restrictions on how funds can be used
- Reimbursement-based payments
- Insurance requirements
- Audits
- Mandatory policies and procedures
- Burdensome reporting
- Bureaucracy

What People Don't See



Agenda

The Why

Why accept public funds if it's so complicated, and why are all these strings attached anyway?

Typical Requirements

What are the most common compliance requirements from public funders?

How it Works

How do the federal, state and local governments provide funding to nonprofits?

Tips for Success

How can we set ourselves up for success with public funding?



Types of Public Funds

Grants, Contracts
and/or Cooperative
agreements
with Local, State or
Federal Agencies

- Typically awarded through competitive application processes like NOFOs (notices of funding opportunity) or RFPs (requests for proposals)
- Where to look:
 - **Federal funding** - www.Grants.gov
 - **State funding** - <https://www.nc.gov/your-government/all-nc-state-services/grant-opportunities>
 - **County funding** - www.buncombecounty.org/grants
or www.buncombecounty.org/procurement
 - **Municipal**



Why take public funds?

TRADE-OFF:

- Scale of funding
- Technical assistance & connection to funding agency
- Leveraging other funds
- Sustainable/diverse funding
- Further opportunities for larger grants and credibility with other funders
- Network with other grantees/contractors



Why are these strings attached?

Accountability for & stewardship of public taxpayer dollars

Laws & regulations:

- Federal Uniform Guidance - 2 CFR Part 200
- North Carolina General Statutes - § NGGS
- Agency rules



How are strings attached?

Written award letters/funding agreements/contracts with terms & conditions

Period of Performance

Payment terms

Use of Funds/
Allowable expenses

Scope of Work /
Funded activities

Insurance coverage

Compliance terms

Reporting



Common requirements

Financial

Recordkeeping
Project budget
Fund accounting
Audits & 990s

Internal Controls

Procurement
Segregation of duties
Policies and procedures
Open Books

Governance

Conflict of interest
Bylaws
Roles and responsibilities

Personnel

Time and effort tracking
Employees vs. contractors
Personnel policies

Programmatic

Data tracking
Performance measures
Quality assurance



Tips for Success



Know the requirements

- Read the fine print
- Attend the webinars
- Sign up for the consultations
- Submit questions



Accept the right funding

- Before applying, assess whether this funding can advance your goals and whether you can meet all of the funder's requirements
- Say no if it's not the right fit right now



Begin with the end in mind

- Organize the project to line up with reporting and audits



Involve all stakeholders

- Gather input from all staff levels: executive to front line
- Communicate between back of house (finance, HR, IT) and front of house (community-facing positions)
- Have a process for board sign off prior to applying/accepting



Make compliance a regular practice

- Have current policies & procedures in place
- Train staff and volunteers
- Maintain a schedule for regular review and update
- Spot check for policy compliance

A decorative graphic on the left side of the slide consists of several thick, rounded lines. A vertical grey line runs down the left side. Two horizontal teal lines cross it from the left. At the intersection of the grey line and the top teal line, there is a black circle. Further down, at the intersection of the grey line and the bottom teal line, there is another black circle. On the right side, a vertical teal line runs down, with a black circle at its top. At the bottom right, there is a large, semi-transparent olive-green circle.

Thank you

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Public Funding Readiness Checklist

Preparing your nonprofit organization for success in managing government funds

Public funding can come in many formats, from grants to contracts with city, county, state or federal agencies. While the exact requirements will vary depending on the source of funds, this is a list of common elements to have in place for success in complying with public funding requirements.

General Compliance

- Articles of Incorporation**
- Bylaws**
- IRS nonprofit determination letter**
- IRS tax filing/IRS Form 990**
- State Charitable Solicitation License** or Exemption
- Unique Entity Identifier (UEI)**, formerly DUNS Number
- Registration on **SAM.gov** federal System for Award Management

Financial

- **Bookkeeping practices** in compliance with Generally Accepted Accounting Principles (GAAP) & Financial Accounting Standards Board (FASB) standards
- **Financial management system** including ability to treat public funds as restricted
- Written **financial policies & procedures**
- Ability to produce **financial reports** of statement of financial position (balance sheet), statement of activities (profit & loss), and cash flow
- Annual **audited financial statements** prepared by an external firm, or for smaller nonprofits a Review or Compilation in accordance with applicable Statements on Accounting and Review Services (SSARS)
- Single Audit (**compliance audit**) for organizations that expend \$750,000+ in annual federal funds or \$500,000+ in state financial assistance

- Board-approved **annual budget**
- Written **financial policies & procedures such as:**
 - accounts payable
 - accounts receivable
 - banking
 - budget preparation
 - cash management
 - cost allocation
 - credit cards
 - expense reimbursement
 - fixed assets
 - fund accounting
 - independent contractors
 - invoicing
 - journal entries
 - mileage/travel
 - operating reserve
 - procurement
 - reconciliation
 - sales tax
 - signatory authority

Governance

- **Board of directors** that meets regularly & operates in compliance with bylaws
- Defined **oversight roles** including chair/president and treasurer/finance committee

Risk Management

- **Insurance coverage** such as:
 - directors & officers;
 - general liability;
 - workers compensation;
 - and other coverage depending on the nature of the work

Internal Controls

- Adopted structure for **internal controls**
- Written **policies and procedures** such as:
 - equipment
 - inventory
 - drug-free workplace
 - non-discrimination
 - segregation of duties
 - record retention
 - conflict of interest

Personnel

- **Personnel policies**/employee handbook with topics such as:
 - Recruitment
 - Benefits
 - Leave
 - Compensation
 - grievance/ whistleblower
 - Discipline
 - Separation
 - conflict of interest
- **Organizational chart & job descriptions**
- **Employee time and effort** tracking system for allocating personnel costs (approved time sheets corresponding with payroll records)
- Structure for issuing **tax forms** (W-2 statements for employees and 1099s for contractors)

Programmatic

- Written **program standards** defining eligibility, service scope, processes, procedures, guidelines, etc.
- **Training and quality assurance** to ensure consistent practices
- **Data collection plan** for tracking and reporting performance metrics