



NONPROFIT GRANT PROGRAMS

March 22, 2022

Background

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- ❑ Council allocated \$150,000 of American Rescue Plan Act (ARPA) Funds to nonprofits
- ❑ Public Facility Corporation (PFC) received a \$350,000 structuring fee for the NRP North Killeen Apartments Project
 - ❑ Fee was then transferred to the City of Killeen
 - ❑ Council, acting as the PFC, directed the funds be used for nonprofit grant program
- ❑ On January 6, 2022, the Final Rule for ARPA was released
 - ❑ Nonprofits can now be considered subrecipients with stricter guidelines and documentation
- ❑ Staff recommends that two separate grant programs are adopted

PFC Nonprofit Youth Organization

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- Must serve a public purpose
 - ▣ Provide a service that enhances a service the public agency provides,
 - ▣ Identifiable secondary benefit to the public agency, OR
 - ▣ Provides a service the public agency could provide but chooses not to
- Funds may not benefit private parties
- City must maintain control of the funds (via contract)
 - ▣ Nonprofits must document that funds were used for a public purpose before reimbursement can occur

ARPA Nonprofit Program

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- ❑ Meet public purpose requirements (same for PFC grant program)
- ❑ Additional requirements:
 - ▣ Services directed at low to moderate income residents, residents disproportionately impacted, or located in a Qualified Census Tract
 - ▣ Use must directly address a negative impact of the pandemic
 - ▣ Use must be proportional to amount of impact

Example: Public Purpose

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Sponsor enrollment fees for youth with low to moderate income to participate in sports programs.

- Must serve a public purpose
 - ▣ Provide a service that enhances a service the public agency provides
 - ▣ City provides sports programs for youth
 - ▣ City (through donations) provides need based scholarships for youth programs
- May not benefit private parties
 - ▣ Benefit to private parties is incidental to public service being performed
- Document public purpose before reimbursement
 - ▣ Contract states that nonprofit will use funds for qualified youth to participate
 - ▣ Provide documentation of expenditures for reimbursement

Next Steps

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- ❑ Release information and accept applications
 - ▣ April 1 – April 30
- ❑ Staff reviews applications to determine if criteria is met
- ❑ Eligible applications are presented to Council
 - ▣ Date to be determined based on number of applications received
- ❑ Council determines which nonprofits are funded
- ❑ Contracts with nonprofits are prepared and executed