

## 8. CONSIDERATION OF YOUTH ACTIVITY FUNDING REQUESTS

As you recall, beginning in FY 2010, the Board developed an annual grant application process for organizations that provide or support youth recreational opportunities. The FY 2011 budget allocates up to \$5,000 for this purpose.

The 2011 applications were made available on the county website in mid-March and applications were due on April 29. Four applications were received, requesting aggregate funding in the amount of \$8,500.

A review committee appointed by the Board, including Supervisors Felts and Young, and 3 county staff members (Mr. Mendenhall, Mrs. Lewis and Mrs. Lowe), reviewed the applications and offers the following recommendations:

Organization	Requested	Recommended
Courtland Youth Athletic Association	\$ 2,000	\$ -
Courtland Community Center	3,000	1,000
Newsoms Athletic Association	1,500	-
Sedley Recreation Association	2,000	1,000
	<u>\$ 8,500</u>	<u>\$ 2,000</u>

While the state enabling legislation provides that a locality may make donations to nonprofit recreational associations, the committee has exercised an abundance of caution in its recommendation. Non-profit status is a state law concept which may make an organization eligible for certain benefits, such as state sales, property, and income tax exemptions. Although most federal tax-exempt organizations are non-profit organizations, organizing as a non-profit organization at the state level does not automatically grant the organization exemption from federal income tax. To qualify as exempt from federal income taxes, an organization must meet certain requirements set forth in the Internal Revenue Code.

Notwithstanding the fact that the Courtland Youth Athletic Association and Newsoms Athletic Association both received funding last year, neither has obtained their 501 (c) (3) certification from the IRS. The committee has suggested that you defer consideration of their requests until such time as they achieve 501 (c) (3) status. Alternatively, provided the respective towns in which these associations are located are willing to function as a funding conduit, the Board may wish to consider making an appropriation to the Towns of Courtland and Newsoms with specific instructions that the funding is to be directed to the respective Athletic Associations (similar to the way the Camp Foundations use Southampton County as a conduit to fund certain Volunteer Fire Departments).

### MOTION REQUIRED:

**If the Board is so inclined, a motion is required to accept the committee recommendation and award \$2,000 as outlined above.**