

# The Hyattsville Community Development Corporation's Community Action Fund Fiscal Sponsorship Plan Proposal for the Administration of Emergency Relief Funds

## INTRODUCTION

The unprecedented economic fallout from the Covid-19 pandemic's impact on the residents of this community necessitates the kind of partnership and outreach envisioned in the City of Hyattsville's "**EMERGENCY ORDINANCE 2020-02 COVID-19 PANDEMIC FUND**" in order to "*reduce the impact of economic hardships arising from the pandemic caused by the coronavirus ("COVID-19") in the City of Hyattsville*" While not our principal mission implementation mode: resident assistance programming and fund management have been regularly folded into our operations to ensure the long term sustainability and stability of the Hyattsville community: which is a mission pillar of our organization. Emergency assistance is also an activity we are well acquainted with.

Upon inquiry from City officials, the Hyattsville CDC staff has consulted with its Board of Directors and other non-profit colleagues and drafted this operational proposal as a means of outlining how it would go about implementing the collection, management, and disbursement of emergency relief funds should it be so tasked by the Council.

## BACKGROUND

As a Hyattsville-centered 501 (C)-(3) nonprofit organization in good standing with the State of Maryland and the IRS, Hyattsville CDC established its Community Action Fund in January of 2011 in response to a tragic, fatal house fire in Ward 1. The CDC coordinated with scores of volunteers and community members who rallied around the affected family: and over the course of a year we raised, collected, and disbursed over \$60,000 in monetary donations, raised from a thousand or so donors, towards the establishment of safe, stable housing for the surviving children and reestablishing the family's ability to make a living through a carpentry and construction subcontracting business. All funds were managed in a bank account kept segregated from our general and reserve fund accounts. All funds were accounted for in our regular bookkeeping process and expenditures were scrutinized by our Bookkeeper, Treasurer, and an independent auditor as part of our annual audit and audited financial statement.

The CDC has received clean and unqualified audit reports every year since its first financial audit in 2003.

We have used the Action Fund periodically to address donor-directed cases of assistance for residents experiencing hardship, such as an elderly widowed homeowner

in need of furnace repair and heating oil; Christmas in April construction supplies; and the purchase of a cordless electric snow-blower with donated and matching funds for Hyattsville Aging in Place: to name a few.

## A COORDINATED PROGRAM APPROACH

Priorities established by the City's COVID-19 PANDEMIC FUND will guide targeted distributions of assistance for City residents in the form of a fixed sum grant that is awarded based upon application review. Since speed of distribution is an important factor in helping to stabilize our local economy and provide the significant impact for those who need this assistance, we recommend setting the sum at \$1,500, or \$2,000 per grant. Setting uniform grant amounts streamlines distribution and administration of the funds, thereby enabling speed of turnaround from application approval to distribution. Setting a fixed sum for the assistance indicates that this is an emergency stop-gap measure for those in most dire need; and is not to be a cure-all, but used in combination with other forms of assistance and relief measures made available by other levels of government and non-profits. We would welcome input on setting the grant amount.

The application process will assist in determining what other means of social safety net assistance the applicant has sought and/or received. Thereby also giving the CDC the means to follow up with agency referrals and appropriate information and other relevant assistance, where needed.

Should the City opt to work with us as fiscal sponsor our application form and process and the documentation we would require of applicants would be submitted within a day of acceptance for your approval prior to implementation. Our goal would be a simplified application, review, and documentation process. We would make paper and online applications available and already have a robust data management system in place that we use for other grant-mandated activities to process and maintain records securely.

We plan a review process employing ten to twelve teams of two volunteers comprised of HCDC Board members and individuals recruited from the body of current and former City Committee and HCDC volunteers whose discretion and reliability has been previously demonstrated through their past service to the community. Each team would handle no more than 30 applications at a time. A unanimous consensus would be required for the award to be approved and documentation would be reviewed by a CDC staff or Board member prior to issuance of the grant. Grants would be issued on a first come first served basis in order to get the assistance where it needs to be as quickly as possible.

## Leveraging the Emergency Relief Funds

Concurrent with establishment of the Fund, a social media campaign and targeted corporate donor fundraising would commence to make the most of ensuring that potentially tax-deductible donations would bolster the City's Fund commitment. The CDC has already obtained several thousand dollars in donation commitments should this collaboration proceed. And as we have demonstrated annually, through the Downtown Hyattsville Arts Festival and episodically through our Community Action Fund, we have the capability to raise funds effectively for targeted assistance and programing needs.

# The Hyattsville Community Development Corporation: Financial Practices, Policies, and Procedures

## **DISBURSEMENT METHOD:**

A disbursement from our main account or a reserve funds account first requires the written directive of the Executive Director to the HCDC's Bookkeeper. The Bookkeeper, at the Executive Director's instruction, prepares checks for the Treasurer to sign bi-weekly. The Treasurer is an account signatory for the Hyattsville CDC's main account or reserve accounts. The Chairman and Vice Chairman are also account signatories, but only the Treasurer has direct access main corporate account checks. The Executive Director is not a signatory to either of those accounts. The Treasurer reviews proposed expenditures to ensure that they are authorized budgetary expenditures. The Executive Director maintains a small checking balance - \$2,000 - \$16,000 – in a convenience checking account to speed minor procurements..

## **FINANCIAL REPORTING:**

Financial reporting is monthly or more frequently to the Board and bi-weekly (or more frequently, as necessary) between the Executive Director and the Treasurer. HCDC uses the accrual method of financial reporting. The HCDC's annual audited financial statement and 990 filing to the IRS are available for review by the public upon written request.

## **RECORDKEEPING / ACCOUNTING:**

We engage an independent professional Bookkeeper and utilize Quickbooks for Non-Profits Accounting Software Online that is consistent with our Auditor's systems; and which allows for seamless integration of changes and makes our organization more responsive, transparent, efficient and effective in our work.

The Bookkeeper reconciles accounts bi-weekly and provides all account information to our Accountant / Auditor. The organization seeks and receives an annual audit in order to produce an independently verified Annual Financial Statement. The Executive Director monitors the account balances daily, to ensure continuity of funding and acceptability of expenditures.