

First Reading: May 18, 2021
Second Reading: May 25, 2021

ORDINANCE NO. 13676

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 2, ARTICLE IV, SECTION 2-526 RELATING TO THE APPROPRIATION AND DISBURSEMENT OF MUNICIPAL FUNDS TO NON-PROFIT CHARITABLE AND CIVIC ORGANIZATIONS AND RELATING TO THE APPROVAL FOR PURCHASING REQUISITIONS IN SECTION 2-547.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That

SECTION 1. Chattanooga City Code, Part II, Chapter 2, Article IV, Section 2-526, be deleted in its entirety and substituted in lieu thereof the following:

Sec. 2-526. Appropriation and disbursement of municipal funds to nonprofit charitable and civic organizations.

(a) The City Council may appropriate funds for the financial aid of any non-profit charitable organization or any non-profit civic organization as set forth in Tenn. Code Ann. § 6-54-111. Such appropriated funds may be used for the purpose of promoting the common good and general welfare of the people of the city by bringing about civic betterments and social improvements including efforts to maintain and increase employment opportunities in the city by promoting industry, trade, commerce, tourism and recreation by introducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises to locate in or remain in the city or to locate nearby so as to provide jobs for residents of the city.

(b) Appropriated funds may be expended to carry out any activity which promotes the above-mentioned purpose so long as such activity is approved by the city council based on the guidelines established by the legislative body directing for what purpose the appropriated money may be spent in conjunction with the guidelines and procedures of the comptroller of the treasury.

(c) Any non-profit organization that desires financial assistance from the City shall file a copy of an annual report of its business affairs and transactions with the City Council Clerk in the manner set forth in Tenn. Code Ann. § 6-54-111 (c) for any proposed project before any city funds are appropriated in connection with such project in order to assure compliance with these guidelines.

(d) The annual budget of the city shall specify each recipient non-profit organization by name as beneficiary of the appropriated funds and the amount appropriated therefor.

(e) Any non-profit organization requesting funds from the City of Chattanooga shall furnish the Chief Financial Officer, prior to any consideration of monetary appropriation, with the following information:

- (1) The name and address of the non-profit organization;
- (2) The name, address, and telephone number of a specific contact person within the non-profit organization relative to any request for appropriation of funds;
- (3) A description of the specific programs of the non-profit organization which serve the residents of the City of Chattanooga;
- (4) A signed statement by the chief executive officer of the non-profit organization indicating that the non-profit organization will, upon request, provide the following:
 - a. Detailed accounting of how and for what purpose municipal funds were spent by the non-profit organization;
 - b. List of accomplishments or outcomes achieved through the use of municipal funds;
 - c. Copies of annual audits of the non-profit organization (performed by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards)
- (5) A copy of the entity's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury and prepared and certified by the chief financial officer of such non-profit organization as set forth in Tenn. Code Ann. § 6-54-111(c) at the time of the request for appropriation of funds from the City of Chattanooga;
- (6) A copy of the charter of the non-profit organization filed with the Tennessee Secretary of State;

- (7) A copy of the document indicating non-profit tax exemption status for the non-profit organization under the Internal Revenue Code, such as an IRS Determination Letter;
- (8) A copy of the most recent IRS Form 990 as filed with the IRS;
- (9) A copy of the most recent annual audit of the non-profit organization, prepared by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards;
- (10) A description of the proposed usage, proposed outcomes, and proposed budget related to request for appropriation of funds (template to be provided);
- (11) Other financial and operational information upon request;
- (12) Each non-profit organization requesting appropriation of funds from the City of Chattanooga shall pay an application fee which shall be expended to cover the costs of advertising notices pursuant to T.C.A. Section 6-54-111 and to defray clerical time and supplies associated with the application.

(f) For each nonprofit application, the Chief Financial Officer shall submit a verification form to the City Council Clerk certifying that all items required in subsection (e) have been received and reviewed prior to the budget recommendations for each fiscal year and before any appropriation is made by the City Council in the annual budget ordinance.

(g) Each organization receiving such funds from the city shall comply with the requirements of Tennessee Code Annotated section 6-54-111, as amended, by filing with the Chief Financial Officer a copy of an annual report of its business affairs and transactions, which includes a copy of an annual audit, its program which serves the residents of the city and the proposed use of the municipal assistance before any monetary appropriation is made

(h) Funds appropriated by the city may not be utilized for advertising commercial, social, industrial or any other advantages of the city in excess of the amount authorized to be appropriated annually from city funds for this purpose by Tennessee Code Annotated section 6-54-201.

(i) The City or its agent may audit all financial and related records (including digital) associated with the terms of the contract or agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the organization. The City may further audit any organization records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the contract or agreement) or to identify conflicts of interest. Costs of any audits conducted under the authority of this section and not addressed elsewhere will be borne by the City unless the audit identifies significant findings that would

benefit the City. The recipient organization shall reimburse the City for the total costs of an audit that identifies significant findings that would benefit the City.

(j) Appropriations to nonprofit organizations other than charitable organizations may be made only upon meeting the following conditions:

- (1) Notices shall be published in a newspaper of general circulation in the city of the intent to make an appropriation to a non-profit but not charitable organization specifying the intended amount of the appropriation and the purposes for which the appropriation will be spent; and
- (2) The city council must approve the appropriation at two (2) consecutive regularly scheduled meetings.


SECTION 2. BE IT FURTHER ORDAINED, that Section 2-547 is hereby deleted in its entirety and the following language is substituted in lieu thereof:

Sec. 2-547. - Purchase requisitions required; approval of form.

All purchases made under the provisions of this article shall be made pursuant to a written requisition from the head of a department, agency or division of the city. The city finance officer shall establish the form of any purchasing requisition.

SECTION 3. BE IT FURTHER ORDAINED that this Ordinance shall take effect two (2) weeks from and after its passage.

Passed on second and final reading: May 25, 2021



CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR