**2014-2016**

**Nonstate Agency**

**Instructions**

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**Virginia Department of**

**Planning and Budget**

**September 2013**

Overview

## These instructions are to be used for preparing and submitting budget requests for nonstate agencies for the 2014 – 2016 biennium, which covers the period July 1, 2014, through June 30, 2016. Any funding appropriated by the Governor and General Assembly for FY 2015 will not be available until after July 1, 2014.

## Nonstate agencies are defined in §§2.2-1505 (<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-1505>) and §4-5.05 of the 2013 Appropriation Act (<http://lis.virginia.gov/cgi-bin/legp604.exe?122+bud+24-5.05>).

## The primary purpose of state support of nonstate agencies is to assist with capital expenditures or improvements and organizational or operating assistance of a limited duration to help during periods of growth or change and other expensive items of a one-time nature. State support is not available and should not be sought for operating support on a continual or long-term basis.

To request funding, an eligible entity must submit a completed Form NSA-1, Nonstate Agency Budget Request. **Agencies must submit this form electronically to DPB (special email address listed below) along with supporting materials no later than 5:00 P.M. October 31, 2013.** Each Form NSA-1 should cost out and justify one budget request… In other words, the request proposed in each Form NSA-1 should be a discrete unit that can be evaluated on its own merit, independently of any other proposals. However, it is recognized that under certain circumstances, several strategies or actions may be tightly related and cannot be viewed independently. If so, they may be grouped together in one Form NSA-1.

Requests and associated documentation are to be submitted as an e-mail attachment to the following address: nonstatebudget@dpb.virginia.gov. No requests will be accepted after the deadline. Please note that requests may be subject to the review by the Office of the Attorney General to determine if funding conforms to constitutional requirements.

The Department of Historic Resources (DHR) will administer the process for agencies, if any, who are appropriated funding in the 2014 Appropriation Act. DHR will require these agencies to complete a separate Payment Application (proof of matching funding is required) to confirm eligibility and to begin payment processing. If an agency is appropriated funding during the General Assembly’s 2014 Session, and thus included in the 2014 Appropriation Act, the agency can obtain this application by contacting Patty Hurt at DHR at patty.hurt@dhr.virginia.gov or (804) 862-6198.  Ms. Hurt will also answer any questions regarding the **payment** process for nonstate entities.

**Criteria for Funding**

The following are general guidelines that must be followed to be considered and approved for state funding:

**Location** – An agency must be located and operated in Virginia.

**Purpose** - The requested state support must be for a purpose clearly identifiable as cultural, historic, or artistic in nature or related to human services. It must be for capital expenditures or operating assistance of a limited duration.

**Ineligible Agencies** - The Constitution of Virginia prohibits state appropriations to a religious agency or a private institution of higher education.

**Federal Income Tax Exemption** - An agency must be a nonprofit agency exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

**Matching Funds** - The matching fund requirements, summarized from Attachments A and B, stipulate that:

* An agency must present an equal match for the state grant, whether the grant is for operating or capital purposes. **Please be aware that the required match must be certified by the Secretary of Finance prior to the funds being released**.
* Match must be in cash, cash equivalent (securities which can be converted to cash within 30 days), or in-kind unless the agency is a political subdivision.
* Match must be from local or private sources. "Local" means funds from local governments, other local entities and federal funds. It excludes state funds.
* Match must be available on July 1, 2014, for funding requested for FY 2015 and July 1, 2015, for funding requested for FY 2016. If not available until after July 1, the state grant will be released when the matching funds are available. Note the following requirements of §2.2-1505 of the Code of Virginia:
1. Funds received and spent prior to the effective date of the state grant are not eligible to be counted as a match. Likewise, in-kind match must be available within the grant period.
2. If available funds were used to meet the match requirement for any state grant issued by any previous appropriation act, they may not be used to satisfy the new matching requirements even if they are still available.
3. Match funds must be concurrent with the purpose for which state funds are requested. This means that the proposed expenditure of the match funds must be the same as that for the state funds.

**Virginia Public Procurement Act** - If the requesting agency plans to use more than $10,000 for capital expenses, the Virginia Public Procurement Act may apply. See section 2.2-4343 A.14 of the Code of Virginia (<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-4343>)

## **Pass-Through** - The request should be for the requesting agency directly. A pass-through from the requesting agency to another agency not owned or controlled by the requesting agency will not be approved.

**Instructions for completing Form NSA-1,
Nonstate Agency Budget Request**

This form is available in Microsoft Word format on DPB’s web site at <http://dpb.virginia.gov/forms/forms.cfm> using the search keyword of “nonstate”. If the form is prepared using Microsoft Word, spaces are provided will expand as needed to fit the information.

**A. Background**

1. **Legal name.**  Give the official name of the agency. This means the name under which it is incorporated or otherwise authorized to do business in Virginia.
2. **Location.**  Give the address (street and city) of the principal office or location and the address of any other offices or locations.
3. **Chief executive officer.**  Provide the contact information for the president, executive director, or chief executive officer of the agency.
4. **Legal status.** Check the appropriate box to indicate whether the requesting agency is a corporation, foundation, authority, partnership, political subdivision, or other. If “other,” please describe.
5. **Statutory authority.** If the agency is established by statute enacted by the General Assembly of Virginia, identify the statute (Act of Assembly or Code of Virginia) and date of its enactment. If the agency was not established by statute, indicate how it was established.
6. **Tax status.** If the agency is exempt from taxation under § 501 (c) (3) of the United States Internal Revenue Code, show the tax identification number and date of approval. If it is not exempt, enter “No exemption.”
7. **Affiliation with higher education.**  Indicate any affiliations the agency has with a private institution of higher education by identifying the institution and describing the agency’s affiliation with that institution. If the agency has no such affiliations, enter “None.”
8. **Affiliation with religious agency.** Indicate if the agency is a religious agency or affiliated with a religious agency by identifying the religious agency and describing the agency’s affiliation with that agency, if any. If the agency has no such affiliations, enter “None.”

**B. Agency Profile**

1. **History.**  Provide a brief paragraph summarizing the history of the agency, including when and why it was created and by whom.
2. **Services.** List the current activities and services provided by the agency, factors impacting service delivery, and any anticipated changes over the next six years.
3. **Mission.** Cite the mission statement of the agency and the date it was developed. The mission is a statement of an organization’s purpose; the fundamental reason for an organization’s existence. If no mission statement exists, please explain why.
4. **Goals.** List each of the goals identified by the agency and any additional supporting information. A goal is a broad statement of the long-term results needed to accomplish the organization’s mission and achieve its vision.
5. **Customers:** The customer section should contain a list of the agency’s customers (i.e., the customer base) and should include the number of current customers being served and the number of potential customers. This section should also document any anticipated changes in the customer base. This information should be compiled from the organization’s service area plans. A customer is defined as any individual, group of individuals, organization, or organizational units for whom products and services are supplied. Customers could be internal or external.
6. **Performance measurement.** Please include a brief description of how the agency monitors the productivity and effectiveness of its services.
7. **Agency budget**. The section contains a table that depicts the total agency actual budget for the previous fiscal year and estimates for the current and next fiscal years. Break out funding by major fund source, such as grants, admission fees, state funding, sales, etc. After listing all of the major fund sources, provide a grand total for the agency. Note if the agency uses a fiscal year different from the state’s fiscal year, which runs from July 1 to June 30, please convert to the state fiscal year.

**C. Request and Justification**

1. **Requested state appropriation.** Fill in the table to indicate the amount the agency is requesting for operating funds and the amount being requested for capital improvements. Operating expense requests are to be identified as one-time or recurring.

“**Operating expenses”** means payment of salaries, purchase of supplies, heat, light, power and other expenses of normal maintenance and operation. It includes equipment for normal operation, such as typewriters, computers, calculators, and computer software. “**Capital expenses**” means expenditures for acquisition and purchase of land and structures, construction of buildings, renovation of buildings, major repairs, and other capital purposes. It includes equipment associated with construction and renovation of buildings.

1. **Description of how the money will be spent.** Describe the product, service, or facility that will be financed by the state appropriation. If the request is for operating expenses, indicate whether the expenses are one-time or on-going. If on-going, describe how the expenses will be funded once the state grant ends. If the request is for capital purposes, describe the proposed facility or improvements to the existing facility. What is the timeline for the procurement? Also, indicate what impact the capital expense will have on the agency’s operating plan and how any additional operating expenses will be funded.
2. **Methodology for cost of proposal.** Provide an explanation of the methodology used to calculate the costs of the requested funding.
3. **Economic benefit.** Describe how theproposal will result in economic benefits to the Commonwealth of Virginia in terms of visitation, employment, payroll, or other economic contributions.
4. **Other sources of support.** Identify other funding sources, along with the amount, intended to be used in addition to the state appropriation for the purposes for which funding is being requested? What percentage is the requested state grant of the total amount of support anticipated for this purpose?
5. **Expected outcome.** Indicate how the agency will measure the success of the effort if this proposal were to be funded, giving the specific outcome expected. What public purpose will be served by a state appropriation to the agency? How will state funding help the agency carry out its mission? Who will likely benefit from the state appropriation (describe customers, clients, etc.)?
6. **Consequences of not funding.** Describe the impact on services, products, customers, goals, or objectives if this request is not funded.

**D. Matching Funds**

Provide in the table the amount and a description of the proposed matching funds. Identify the source of the proposed matching funds and when they will be available. The state appropriation will be available on July 1 or shortly thereafter. The matching funds should be on hand and available on the same date. If the proposed match includes in-kind contributions, please describe in detail. After the last entry, provide a grand total.

**E. Certification**

Provide the name and working title of the person or persons filling out the form as well as agency information and signature of the chief executive officer.