

Hidden Resources for Your Municipality

Ann Kayman, CEO of New York Grant Company
Pat Boshe, President of Bohse & Associates, Inc.

Cities and towns across the country need to be more resourceful than ever in ways to raise money for needed projects and causes, without straining taxpayers. This article suggests new possibilities using creative approaches to raise grants and support for special purposes.

First, consider using some tools that are available to your municipality such as a **Dedicated by Rider Trust Fund**. This is a revolving, off-budget fund, authorized by statutory and/or regulatory law that permits the deposit and expenditure of moneys exclusively for a purpose to which the revenue is dedicated. Such dedicated trust funds are generally authorized by the State when the revenue is not subject to reasonable accurate estimate in advance.

A municipality must adopt a resolution requesting permission from the Director of the Division of Local Government Services to establish the fund under the provisions of NJSA 40A: 4-39.

When using a dedicated trust fund for donations, NJSA 40A:5-29, the municipality must state the specific purpose of the gift, such as playground equipment, and may have a fund for each type of donation, providing the governing body adopts a resolution for each purpose.

Second, and related, is to form a **public-private partnership**. In other words, municipalities can “partner” with the private sector — such as building owners, local companies, community leaders and the like — to create a program that leverages both public interests and private assets. What does this look like? Take, for example, a program to help attract new businesses to a distressed area. A municipality’s local economic development authority can enter into contracts — usually “memoranda of understanding” (MOU’s) — with building owners and technical assistance providers to create a program to market underutilized space and to educate interested companies on the benefits of locating there, perhaps providing economic incentives to sign leases or create new jobs. This kind of public-private collaboration can be highly successful and can mobilize an entire community without added cost.

Third, and also related, is to **utilize the vast resources of local universities, colleges or other institutions** to create a program that cannot be undertaken by government alone. For example, universities can partner with government to establish incubators for research and development and raise monies — without draining public budgets — through means not otherwise available to government.

There are many examples of these kinds of endeavors throughout New Jersey. A brief search through The Foundation Center’s database (www.fdncenter.org) yielded 93 grants to New Jersey organizations in public-private collaborations in the past four years. Grants ranged from \$5,000 to over \$300,000 each from source including the

Geraldine R. Dodge Foundation, Ford Foundation, Surdna Foundation and the Fund for New Jersey, as well as from corporate foundations, such as Aon, PNC, Prudential and Wachovia. This is just a partial list.

Another tip regarding corporate funding; corporations often have, in addition to formal foundations for charitable giving, various other funds in-house for marketing and community relations. Your municipality should explore these non-traditional avenues when considering potential corporate funding, particularly for corporate sponsorship of events or programs that promote a community. Typically, such funds are available through sources within the corporation separate and apart from the corporate foundation or public philanthropy departments.

Finally, **consider starting a foundation**. For example, if a township wants to create a memorial park or special program for children, it can form a committee of concerned citizens and community leaders to start a foundation to operate and fund the program, with township assistance.

The township's assistance can take the form of public property use, technical staff help and positive leadership to bring the parties and project together. This foundation can establish a Board of Directors, raise private donations or grants through outside non-profit sources and function as the means to get the project done. It is possible to organize such a project in this way, and it opens the doors to individual donations, family donations and non-profit grants through private foundations.

Of course, when starting a foundation consult with your municipality's counsel and the State about the legal structure and conduct of such an endeavor.

It is an overused phrase, but one that applies especially well here:

Think Outside of the Box!

Ann Kayman is the Chief Executive Officer of New York Grant Company; www.nygrants.com. Ann, along with her team, navigate through government grants and incentive programs as a private consulting firm.

Pat Bohse is the President of Bohse & Associates, Inc., and provides a free telephone and email consultation service to League members.