



To: Commissioners Court
From: Bill Bilyeu
Date: June 22, 2012
Re: Creation of Non-Profits

I propose the creation of two non-profit tax exempt organizations to support and help offset the costs of the County's Teen Court and Animal Shelter operations. Many grant opportunities are focused towards non-profit organizations instead of public sector operations. In addition, individuals, private entities, and charitable trusts are more likely to make donations to a non-profit than they are to make a voluntary payment to the County general fund.

Philips & Epperson Attorneys, L.P. created and operates a non-profit for Teen Court to accept donations from sponsors and to administer the scholarship payments. This proposal is to file and complete the application process with the IRS to make the existing non-profit a tax exempt organization. The Teen Court tax exempt non-profit will continue to handle the fundraising and disbursements related to educational scholarships for the student volunteers and to offset various expenses (including fundraising) of the program.

The Animal Shelter is not currently supported by a non-profit organization. This proposal is to file the paperwork to create the non-profit with the State of Texas and also apply for tax exempt status with the IRS. The proposed Animal Shelter tax exempt non-profit will handle fundraising, assist in pursuing grants and make decisions regarding disbursements.

This proposal is to hire legal counsel to advise county staff and complete the paperwork to achieve tax exempt status for both organizations. The legal costs are to be negotiated. The legal fees and any administrative costs including filing fees will be paid from the non-departmental legal expense account.

The Auditor's Office will be the financial agent for both non-profits in a similar manner to the Healthcare Trust. After the creation of the tax exempt organizations, the Auditor will be responsible for filing any required reports on behalf of the non-profits and will provide financial information to the non-profit boards.

County staff, including the Grant Review Committee, will assist with grant writing and submissions on behalf of the non-profits. Any grant applications which utilize County resources or could affect County procedures will require Commissioners Court approval.