



MECKLENBURG COUNTY, NORTH CAROLINA

Buying Results with the Community Service Grant

ABOUT MECKLENBURG COUNTY



Mecklenburg County serves a population

of more than 1.1 million people in the Charlotte, North Carolina metropolitan area, providing services including education and literacy, health and human services, facility management, parks and environmental services, justice and public safety, and other administrative services. The county has an annual operating budget of approximately \$2.5 billion and more than 6,800 employees who support 34 departments.

Summary

The Mecklenburg County Community Service Grant (CSG) program began as a way of evaluating nonprofits seeking county funding, providing a fair process to assess programs and community needs, and ensuring alignment with the county's strategic plans. At the time, many local nonprofit leaders were contacting county leadership to request funding directly, which created concerns about fairness and accountability for vendors. The CSG program eliminates bias or potential for conflicts of interest by providing a standard, objective review and selection process. The CSG program also provides accountability by requiring that grantees demonstrate success each quarter to earn funding.

Challenges

Most local government entities face the difficult challenge of deciding which nonprofits in their community will receive funding each year, and they don't always have a plan or process in place for making these decisions. The money often goes to well-established and well-known organizations with a history in the community—which can result in the same organizations receiving funding year after year, limiting opportunities for other groups with different, perhaps innovative, solutions for solving common community problems.

Once funding has been awarded, governments face additional challenges in holding recipients accountable for results. Follow-up is limited, compliance is difficult, and staff (and recipients) can be easily overwhelmed with administrative requirements.



The CSG program holds information sessions to inform potential applicants about the application process and eligibility requirements.

Mecklenburg County faced these issues, and its board of commissioners asked staff to develop a better process.

Equal opportunity, innovation, and accountability

The CSG program provides an opportunity for Mecklenburg County to partner with local nonprofit organizations to help meet critical needs in the community and improve the process for awarding grants. The county sponsors one-year grants to provide funding for nonprofit organizations that deliver services to residents aligned to the government's departmental strategies, meet program eligibility requirements, and adhere to contracting requirements that align performance measures with grant payment. Lauren Tayara, senior management and budget analyst, said, "CSG began as a way to partner with nonprofits in the community beyond the organizations that we had traditionally given money to. We were concerned that we weren't really reaching the organizations with new or creative ideas."

To qualify for the CSG program, recipients must be a registered 501(c)(3) nonprofit organization, provide independently audited financials, provide documents supporting a diversified workforce, have professional membership that supports sustainability, and

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LYDEN WILLIAMS, DEPUTY BUDGET DIRECTOR

clearly contribute to one of four goal areas: connected community, economic opportunities, healthy community, and safe community. Ideal candidates include established organizations with a proven history of meeting service targets; however, organizations can only receive funding from the program for three consecutive years.

Interested agencies submit applications through online software before the beginning of the county's budget process. The CSG team, made up of representatives from the Office of Management and Budget and the Office of Strategy and Innovation, assigns applications to a review panel matching one of the program's four focus areas. After applications are scored, the CSG team leads review sessions with the applicant to discuss proposed services and results, and to negotiate terms of the grant agreements. The CSG team then meets with the county manager and executive team during the budget process to present recommendations

for grant awards. Last year, the program received 98 applications and the FY2025 budget included more than \$2 million in grants for 17 organizations.

A key part of the program is its requirement to demonstrate that program goals are met to earn grant funding. Awardees must submit quarterly invoices, expense reports, and performance data to receive reimbursement for services provided. Lyden Williams, deputy budget director, explained, "The program requires that nonprofits demonstrate, through data, what community problem they plan to address. They need to articulate their strategy for addressing the problem and report the results they achieve. Payments are then based on and tied to outcomes."

The application and review processes are what make the CSG program unique. The CSG application questions consist of carefully considered categories such as a problem statement, a description of the target population and service geography, service delivery strategy, proposed



The CSG Program offers grants to nonprofit organizations that are aligned to one of four focus areas, including: Health Community, Connected Community, Safe Community, and Economic Opportunities. FY2025 recipients included The Carolina Youth Coalition (left), an organization that nurtures and propels high-achieving, under-resourced students to and through college, and the REAL School Gardens Program (right), which builds outdoor learning spaces in underserved Title I Mecklenburg County schools.

service results, performance measures, and a budget proposal. This allows county reviewers to score programs and prioritize those likely to get results and favor results that the county would not be able to achieve on its own.

Buying results

Once successful applications are identified, the nonprofit organizations are processed as vendors and required to sign contracts that hold them accountable for results. "Throughout the process, we emphasize that we buy results," Williams said. "It's a partnership with built-in accountability." Tayara added, "It's important to note that we fund programs, not organizations." Programs are tied to performance goals and must achieve 85 percent of the target to earn funding. Requirements are clearly communicated in contracts established by the Procurement Department.

Community impact

The CSG program has been successful from its inception. Not only does it work to get results, but the process has also addressed the common pain points faced in the past. The CSG team commits to communicating clear expectations for

applicants and aligns the county with potential nonprofits around:

- **Purpose.** The CSG program helps leadership make purposeful decisions to ensure alignment with strategic goals and board priorities. Additionally, applicants must prove the community's need for the service with data.
- **Equity.** The CSG program's standardized application and review process gives nonprofits an equal chance to apply, so long as they meet the eligibility criteria. Organizations are judged based on the quality of their applications, the services they provide, and proven success.
- **Accountability.** The CSG team's quarterly monitoring post-award also ensures accountability to the goals listed in their applications. Recipients cannot receive reimbursement each quarter unless they have demonstrated performance.

Recommendations for other governments

Programs like the County's CSG program have been successful in other organizations, but county staff stressed the importance of clearly setting expectations and understanding that this method of buying results may not

work well in all cases. "I like our process and how it uses data. We can audit, track, and contract around it. However, other organizations would need staff and an infrastructure for managing it," Williams noted. He added that some nonprofits aren't set up to deal with the program's data-tracking requirements. To provide opportunities for those organizations, the county has a separate grant program with the United Way to build up capacity in newer, more grassroots nonprofits.

Overall, the CSG program provides a structured, fair, transparent, and competitive process to funding, with a built-in accountability component. Many organizations hope to manage by results, focus on outcomes, and allocate spending by priority, but the county's CSG program literally buys results and aligns nonprofit funding with community outcomes.

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More information

budget.mecknc.gov/services/community-service-grants