PROSPERITY DENVER FUND

Approved by Matt Jordan, CEO, 12/23/2021

EA-01-02	Processing Initial Eligibility Application		
Author: MetrixIQ	Created: 11/18/20	Version: Draft 1	Revised:

Table of Contents

I. Background

A. Purpose

The purpose of this document is to explain the process of determining is an organization is eligible for reimbursement from Prosperity Denver Fund (PDF).

B. Definitions

- **Organizations** – nonprofit scholarship and support services providers.

- **Eligible Organizations** – organizations who have been deemed eligible to receive reimbursement funding from PDF.

- **Initial Eligibility Application** – an application completed by organizations as the first step to become eligible to receive reimbursement funding from PDF. The initial application helps PDF learn about the organization and their services and includes submission of an agreement and documentation to verify their eligibility according to ordinance requirements.

- **Organization Agreement** – an annual contract to be signed and made between PDF and eligible organizations.

- **Articles of Incorporation** – a public legal document filed by nonprofit organizations to certify their formation.

- **Certificate of Fact of Good Standing** – a certification from the Colorado Secretary of State that a company is legally registered and up to date on all required registration fees, document filings, etc.

- **IRS 501(c)(3) Determination Letter** – an affirmation letter from the Internal Revenue Service (IRS) that the organization is recognized as tax-exempt.

- **Form 990** – tax return filed by nonprofit organizations.

- **Employer Identification Number (EIN)** – a Federal Tax Identification Number used to identify businesses.

- **Eligibility Status** – an organization's qualifying status for reimbursement from PDF. Statuses include:
  - **Approved –** eligible organizations
  - **Pending** – organizations that may become eligible if they submit necessary information
  - **Denied** – ineligible organizations

- **SuiteCRM** – a Customer Relationship Management (CRM) platform utilized by PDF.

II.   References

A. Ordinance Section(s)

- Sec. 11-34 – Organization reimbursement program. (9)(i-iv)

B. Related Policies & Procedures

- EA-01-01: Eligibility Application Submission
- EA-01-03: Processing Renewal Eligibility Application

C. Other Related Documents

- PDF Eligibility Application Packet (Fall 2020), includes:
    o   Organization General Information
    o   Organization Agreement
    o   Required Documents Checklist
- PDF Organization Eligibility Review Checklist
- PDF Eligible Organization Approval Letter Template

III. Policy

Organizations must meet the following requirements to be eligible for reimbursement from Prosperity Denver Fund (PDF):

1. Approved by the Internal Revenue Service (IRS) as a tax-exempt, charitable organization (i.e., nonprofit)
2. Be in good standing with the Colorado Secretary of State's Office
3. Formed 3 or more years prior to application
4. Operate independently as a financial and operational entity separate from any postsecondary institution

To become eligible for reimbursement, organizations must submit the following documentation to PDF:

1. Eligibility application
2. Organization agreement
3. Articles of Incorporation or similar document bearing legible date stamp indicating filing date
4. Certificate of Fact of Good Standing from the Colorado Secretary of State issued within 30 days from submission
5. Proof of legal registration as a 501(c)(3) organization, such as an IRS 501(c)(3) determination letter
6. Three (3) most recent Form 990s
7. Employer Identification Number (EIN) on at least one document

Eligibility applications may be submitted and reviewed on a rolling basis. Eligibility information and documentation submitted by organizations will be stored in SuiteCRM.

Eligible organizations must complete an annual renewal and reporting process to remain in good standing and eligible to receive reimbursement from PDF.

Approval as an eligible organization for PDF does not guarantee reimbursement funding. Eligible organizations must participate in separate reimbursement processes to receive funding.

IV. Procedure

The following sections detail the review process after an organization has submitted their initial Eligibility Application packet to Prosperity Denver Fund (PDF).

A. Secretary of State (SOS) Business Search

✓ <mark>Eligibility Check:</mark> **Organizations must be legally registered with the Colorado Secretary of State.**

1. Search for the applying organization on the [Colorado Secretary of State website](#) – search by name.

2. If an organization is legally registered in Colorado, a matching record should show up in the Secretary of State (SOS) database.

3. Click on the organization name to bring up a summary page.
    a. There may be multiple organizations with a similar name on the search page, you may need to match the information (e.g. address, formation date) with documentation from the application packet.
    b. If the organization cannot be found in CO Secretary of State database, it may still be eligible if all required documentation is provided.

4. A copy of the summary page should be saved to the Account record.

B. Eligibility Application

✓ <mark>Eligibility Check:</mark> **Organizations may only receive reimbursement if they provide scholarships to eligible students.**

1. Review pages 2-6 of the Eligibility Application packet and enter the information into SuiteCRM:

    a. Search for the organization from the Accounts module (Account > View Accounts > Filter > Enter organization's name in the search bar)

        i. If organization does not exist in SuiteCRM, create new account (Account > Create Account)

    b. Enter organization's general information (section A) to their Account record. Enter the formation date from their SOS record (see A).

    c. From the Account record, create an Application to enter the remaining information (sections B-E as applicable). The type of application will be "initial".

2. **If an organization indicates "No" to question B-1 ("Do you provide college scholarships?"), the organization may not be eligible. Follow up with the organization to confirm if they provide**

scholarships in this case, or if they have left this question blank. Reimbursement will only be provided to organizations who provide scholarships to eligible students.

3. The other questions included in the Eligibility Application are for information-gathering only and will not disqualify an organization from receiving reimbursement from PDF.

4. Continue review of supporting documentation from the eligibility packet with the following sections.

C. Formation Date

✓ <mark>Eligibility Check</mark>**: The organization must have been formed at least 3 years ago.**

1. Review the Articles of Incorporation (or similar document) submitted by the organization with their eligibility packet. There must be a legible date stamp indicating filing date.

    a. If not submitted or no date stamp:
        i. Return to the organization's record on the SOS website. Click "Get certified copies of documents" to download the filed copy.
        ii. If documentation cannot be located on the SOS website, the organization must provide this or alternative documentation to prove they have been in existence for at least 3 years and will be pending until provided.

2. The formation date may also be found on the SOS summary page. This date should match the Articles of Incorporation filing date.

✓ **If formation date is less than 3 years ago, organization is currently ineligible.** The organization may become eligible once they have been in existence for 3 years. The application will be pending until have existed for 3+ years.

3. Add the Articles of Incorporation filing date and confirmation of 3+ years of existence in the Applications module in SuiteCRM. This document should be uploaded to the record.

D. Good Standing

✓ <mark>Eligibility check:</mark> **The organization must be in good standing with the Colorado Secretary of State.**

1. The organization's status with the SOS can be located on their SOS summary web page.

✓ **If "Delinquent", organization is currently ineligible.** The organization may become eligible if they take the necessary steps to be in good standing with the CO Secretary of State. The application will be set as pending until they are able to provide proof of good standing.

2. Review the Certificate of Fact of Good Standing submitted by the organization with their eligibility packet. The certificate must have been issued within 30 days from submission.

a. If not submitted or too old:
   i. Return to the organization's record on the SOS website.
   ii. Click "Get certificate of good standing" to download. This will only be an option if the organization is in good standing.
   iii. If the organization cannot be found on the SOS website, the organization must provide this documentation and will be pending until provided.

3. Add the Certificate of Good Standing issue date and confirmation it was issued within the last 30 days in the Applications module in SuiteCRM. This document should be uploaded to the record.

E. Nonprofit Determination

✓ **Eligibility check:** **The organization must be recognized by the IRS as a 501(c)(3) organization.**

1. Review the IRS 501(c)(3) determination letter or similar document indicating nonprofit status submitted by the organization with their eligibility packet.
   a. If not submitted:
      i. Search for a determination letter on the IRS website (Data: Determination Letters – search by EIN or organization name).
      ii. If a determination letter exists in the database, download it.
      iii. If there is not one on record, the organization must provide this or alternative documentation that proves they are a legally registered nonprofit. They may submit their tax-exempt certification and filed tax returns (Form 990) as an alternative. The organization will be pending until provided.

2. Mark in the Applications module if 501(c)(3) determination letter or similar was submitted by the organization. The documentation should be uploaded to the record.

F. Tax Returns

✓ **Eligibility Check:** **Organizations must submit their 3 most recent Form 990s.**

1. Review the organization's Form 990s (tax returns) submitted with their eligibility packet. Note that filings will align with the organization's specific fiscal year, and therefore may be a year behind.

   a. If not submitted:
      i. Search for the tax returns on the IRS website (Database: Copies of Returns) or GuideStar – search by EIN or organization name.
      ii. Download any of the missing tax returns for the organization's record.
      iii. If unable to locate, the organization must provide any missing returns.

2. **If neither tax returns nor IRS determination letter, or other proof of 501(c)(3) tax-exempt status is not submitted by the organization, their eligibility will be pending until they provide such proof.**

3. Mark in the Applications module if the respective tax forms were submitted by the organization. The documentation should be uploaded to the record.

G. Employer Identification Number (EIN)

1. Verify EIN is included on at least one of the official documents, Form 990 or determination letter.

2. Verify document EIN matches EIN on eligibility application.

3. If discrepancy, use EIN from official document (determination letter or 990). Confirm with the organization regarding the error.

H. Organization Agreement

✓ **Eligibility Check: Organizations must sign an annual agreement with PDF.**

1. Review the Agreement submitted by the organization in their eligibility packet (pages 7-11).

2. Verify organization's name included on pg. 7.

3. Check for contact person and address on pg. 10.

4. Check for signature, name/title, and date on pg. 11.

   a. **If unsigned (including if only printed name included), organization will be pending until the agreement is signed.**

✓ **Eligibility Check: Organizations must be independent (financially and operationally) from any postsecondary institution.**

5. By signing the Agreement, the organization is certifying that they are financially and operationally independent from any postsecondary institution. **If this is unclear due to other information provided (e.g. name of organization, background information, etc.), request clarification and/or additional explanation from the organization.**

6. Add the date the organization signed the agreement in the Applications module. The document should be uploaded to the record and will be signed by PDF CEO or Program Director upon approval.

7. The fully executed copy should be uploaded as a new version to the CRM and to Dropbox for the organization once signed by PDF (for approved organizations).

I. Eligibility Status Determination

1. Organizations will be placed into one of the following statuses upon review of application packet:

    a. Approved: Organization is eligible and all required information has been submitted.
    b. Pending: Organization is missing required documentation to make an eligibility determination, is not currently in good standing, or has not yet existed for 3+ years.
    c. Denied: Not an eligible organization.

2. Eligibility notification will be sent to organization by email regardless of status.

3. If approved, Dropbox folder shared with organization for file sharing. Agreement will be signed by PDF to complete approval.