SOUTHWEST MANAGEMENT DISTRICT

EVENT SPONSORSHIP AND COMMUNITY DEVELOPMENT FUNDING SUPPORT POLICY & PROCEDURE

Effective for all Programs/Events beginning January 1, 2027

PURPOSE

Funding support by the Southwest Management District (the "District"), whether in the form of money or donations in-kind, such as Staff time or other in-kind resources, is an important part of the Board of Directors' commitment to promoting business, economic, and community development within the District's boundaries and marketing the District to its constituents and stakeholders.

This Event Sponsorship and Community Development Funding Support Policy & Procedures establishes the requirements and procedures for the District to consider requests for financial and in-kind support for eligible events, programs, projects, and activities.

The District seeks to strategically use available resources to support reputable organizations and community activities that are compatible with the District's legislative mandates, mission, and Service and Improvement Plan and that provide a demonstrated benefit to the District and its community.

Funding support is subject to available funds, District priorities, Committee recommendation, and final Board approval.

1. POLICY OBJECTIVES

The District's chief objective is to contribute toward economic and community development in partnership with business organizations, nonprofit organizations, local institutions, and other eligible community organizations through the provision of time, in-kind resources, money, program support, and event sponsorships.

Through funding support, the District seeks to:

- Promote economic and community development and support local businesses and economic activity;
- Improve quality of life, public safety, and community well-being;
- Encourage community participation, engagement, and partnerships among community organizations, businesses, and institutions;
- Strengthen community identity and support programs and activities that address demonstrated community needs; and
- Provide appropriate public relations, marketing, and community engagement benefits to the District.

2. ELIGIBLE BENEFICIARIES

Beneficiaries of sponsorship and community development contributions may include:

- Nonprofit organizations;
- Public and private schools;
- Institutions of higher education;
- Community organizations;
- Civic organizations;
- Charitable organizations;
- Similar community-interest organizations.

The District may request documentation demonstrating the organization's status, purpose, and eligibility.

3. FUNDING REQUIREMENTS

The District may only provide funding support where:

- The contribution complies with this Policy, applicable laws, statutes, ordinances, and the District's Code of Ethics and anti-bribery and corruption requirements;
- The contribution is not intended to secure an improper business advantage;
- There is a valid economic or community development purpose for the funding support;
- The organization's image, products, services, policies, and activities do not conflict with the District's mission and values; and
- The proposed event, program, project, or activity provides a demonstrated benefit to the District or its community.

The District may approve an amount different from the amount requested.

4. FUNDING PRIORITIES & EVALUATION CRITERIA

Subject to available funds and District priorities, the District may give priority to requests that:

- Provide a direct and measurable benefit to the District;
- Benefit District residents, businesses, property owners, or visitors;
- Address a demonstrated community need or opportunity;
- Improve quality of life;
- Promote community participation and engagement;
- Support local businesses and economic development;
- Promote public safety;
- Support beautification or community improvement;
- Strengthen community identity;
- Encourage partnerships among organizations and businesses;
- Leverage District funding with other public or private funding;
- Have clearly defined goals and measurable outcomes; and
- Provide meaningful recognition, visibility, or other value to the District when funding is provided as an event sponsorship.

Organizations may submit ONE application per program per fiscal year, subject to Board approval. If an application is denied, the organization may apply for a different grant program within the same fiscal year, provided all eligibility requirements are met. The same project may not receive funding more than once.

The District may also consider the overall community impact of a request, the feasibility of the proposed activity, the applicant's prior performance, other available funding, and the amount requested relative to the proposed budget.

5. ELIGIBLE ACTIVITIES

5.1 Community Programs

Programs that address a demonstrated community need and provide a direct benefit to District residents, businesses, property owners, or visitors. Funding Limit: $5,000.

5.2A Community and Cultural Events/Activities/Festivals

Public events and activities that encourage community participation, strengthen community identity, promote cultural engagement and awareness, support local businesses, or otherwise provide a meaningful benefit to the District and community. Funding Limit: $7,500.

5.2B Signature Events

Events that are signature in the District. Funding limit to be discussed on a case-by-case basis, with a limit of $10,000.

For events seeking sponsorship, the District may consider the recognition, promotional opportunities, community engagement, and other benefits offered to the District.

5.3 Gala and Fundraising Events

Gala or fundraising events may be considered when the event provides a demonstrated District or community benefit and is consistent with the requirements of this Policy. Funding Limit: $2,500.

Funding for a gala or fundraising event does not constitute an endorsement of the organization's general fundraising activities.

5.4 Public Safety and Quality-of-Life Activities

Programs or activities that promote public safety, community awareness, neighborhood engagement, beautification, or quality of life. Funding Limit: $2,500.

6. GENERALLY INELIGIBLE ACTIVITIES AND EXPENSES

The District will not provide funding support where prohibited under applicable law or this Policy.

- Individuals or individual for-profit businesses;
- Political parties, candidates, campaigns, political fundraising, partisan activities, lobbying, political payments, or other political activities, whether directly or indirectly;
- Payments intended to influence or improperly benefit a public official;
- Military organizations or projects;
- Individual financial assistance;
- Private parties, private social functions, or activities primarily benefiting a private individual or entity rather than the community;
- Religious worship or activities primarily intended to promote a religious doctrine;
- Alcohol purchases or personal gifts;
- Fines, penalties, late fees, or debt repayment;
- Expenses unrelated to the approved event, program, or project, including general operating expenses;
- Expenses incurred before District approval unless specifically authorized;
- Expenses funded or reimbursed by another source;
- Organizations that discriminate on the basis of race, gender, ethnicity, sexual orientation, disability, marital status, age, or any other basis prohibited by law; or
- Activities outside the District that do not demonstrate a substantial direct benefit to the District.

The District reserves the right to determine whether a proposed activity or expense is eligible.

7. NO GUARANTEE OF FUNDING

Submission of an application does not guarantee funding.

All funding requests are subject to:

- Availability of District funds;
- District priorities;
- Compliance with this Policy;
- Staff review;
- Business & Economic Development Committee recommendation;
- Final Board approval.

The District may approve less than the amount requested, impose conditions on funding, defer consideration, or decline a request.

Approval of a request in one year does not establish a precedent or guarantee funding in subsequent years.

8. CONFLICTS OF INTEREST

A conflict of interest exists when a personal interest or relationship could interfere with a District director's ability to perform their duties fairly and impartially.

A conflict may arise when a director's private interests interfere with the interests of the District, or when a director's family members or friends may receive improper benefits because of the relationship.

In compliance with Chapter 171 of the Texas Local Government Code, a conflict of interest must be disclosed by recording it on the applicable Conflicts of Interest affidavit and submitting it to District Staff for the official records.

Regardless of whether a conflict is actual, potential, or perceived, the director must not participate in any discussion or decision-making that could reasonably be understood to be affected by the conflict.

If a member of the District's Board of Directors serves as an officer or member of the board of directors of an organization applying for sponsorship or community development funding, that director must declare the relationship as a potential conflict before the request is considered by the Committee or Board.

A director's membership in an organization requesting support, by itself, does not necessarily require disclosure or abstention from discussion and decision-making.

9. ANNUAL FUNDING

The District sets an annual budget for event sponsorships and community development funding support for each fiscal year. The District's fiscal year coincides with the calendar year.

All funding requests remain subject to the availability of funds in the applicable fiscal year.

Because the Board typically does not meet in December, applicants seeking funding for January or February activities should submit requests sufficiently early to allow Staff, Committee, and Board review.

10. APPLICATION REQUIREMENTS & SUPPORTING DOCUMENTATION

Applicants MUST:

- Review this Policy & Procedures before submitting an application;
- Complete the District's Community Development & Event Sponsorship Funding Application;
- Submit all required supporting documentation;
- Provide a complete and accurate budget;
- Demonstrate the benefit of the proposed activity to the District and community;
- Identify all confirmed, pending, and requested sources of funding;
- Provide letter(s) of support; and
- Provide measurable goals or anticipated outcomes.

Depending on the nature of the request, supporting documentation may include:

- Completed and signed application;
- Detailed event, program, or project description, budget, implementation schedule, measurable outcomes, and venue/location information;
- W-9 and IRS determination letter, if applicable;
- Information demonstrating community and District benefit;
- Letters of support and information regarding confirmed and pending funding sources;
- Event flyers or other promotional materials;
- Required permits or approvals, if applicable; and
- Any other information requested by District Staff.

The District may request additional information or documentation before an application is considered complete.

11. EVENT SPONSORSHIP REQUIREMENTS

An applicant requesting sponsorship for an event must additionally provide:

- A complete sponsorship package, including sponsorship levels, benefits, and benefits proposed specifically for the District;
- Confirmed sponsors, including committed amounts, and pending sponsorship requests, if applicable;
- Expected attendance, if not already provided in the application; and
- The event's anticipated benefits to the District and community, including proposed District recognition and promotional opportunities.

The District may consider whether the requested sponsorship is reasonable in relation to the event's total budget, expected attendance, community benefit, other sponsorship commitments, and benefits offered to the District.

12. LETTERS OF SUPPORT

Applicants are required to provide letters of support demonstrating community interest in, participation in, or support for the proposed event, program, or project.

Letters may be provided by:

Letters should, when possible, identify the specific community benefit or reason for supporting the proposed activity.

- District residents, businesses, and/or property owners;
- Community, civic, nonprofit, and educational organizations, including schools; and
- Other relevant stakeholders.

13. APPLICATION DEADLINES

Requests MUST be submitted at least sixty (60) days before the event or activity for which support is requested.

Applications must also be submitted at least seven (7) business days before the applicable Business & Economic Development Committee meeting to allow sufficient time for Staff review.

Applications received after these deadlines may be deferred to a subsequent Committee meeting.

14. PROCEDURES FOR REQUESTING FUNDING SUPPORT

Step 1 — Review the Policy

Applicants should review this Policy & Procedures before submitting an application. Applicants may consult with District Staff if they have questions or require assistance.

Step 2 — Complete the Application

Applicants must complete the appropriate application and attach all required supplementary information.

Step 3 — Submit the Application

Completed applications and supporting documentation must be submitted by email to: team@swdistrict.org. Applicants should not copy Board members on application-related emails. Applications and supporting documentation must be submitted directly to District Staff.

Step 4 — Staff Review

District Staff will review the application and supporting materials to confirm completeness and compliance with District policies and procedures. Staff may contact the applicant with additional questions or request additional documentation or revisions.

Step 5 — Committee Review

Once Staff determines that an application is complete and eligible for consideration, it may be placed on the agenda of the Business & Economic Development Committee. The applicant is required to attend the Committee meeting when the application is presented. The Committee may request additional information, documentation, or amendments and will consider the request and recommend approval, denial, or modification of the requested funding.

Step 6 — Board Review and Final Decision

If recommended by the Committee, the application will be placed on the Board of Directors' agenda. The Board may approve, modify, defer, or decline the request, and its decision will be final. District Staff will notify the applicant of the Board's decision.

15. USE OF APPROVED FUNDS

Approved funds must be used only for the purposes identified in the application and approved by the District.

Applicants must notify District Staff of any material changes to the approved event, program, project, budget, or use of funds.

The District may require documentation demonstrating that funds were used for eligible expenses, and funds may not be transferred to another purpose without prior approval from District Staff.

16. DISTRICT RECOGNITION AND MARKETING

Recipients of District funding support agree to collaborate with the District's public relations and marketing staff on appropriate efforts to generate publicity for the event, activity, program, or project.

Recipients may be required to:

- Provide copies of materials published in print or electronically using the District's name or logo;
- Provide appropriate recognition of the District as a sponsor or supporter;
- Coordinate use of the District's name and logo with District Staff;
- Provide photographs or other materials documenting the event or activity; and
- Keep the District informed of significant publicity, promotional opportunities, or other special actions before and after funding support is received.

The level and form of District recognition will depend on the nature and amount of the approved funding and the sponsorship benefits offered.

17. POST-EVENT / POST-PROGRAM REPORTING

Recipients agree to provide the District's Business & Economic Development Committee with a brief written report regarding the outcomes and participation of the funded activity within thirty (30) days of completion, or within another timeframe specified by the Committee.

The report may include:

Failure to provide required documentation or reporting may be considered when evaluating future funding requests.

- Actual attendance or participation and the number of residents, businesses, or organizations served;
- Description of outcomes achieved, including photographs, publicity, media coverage, and recognition provided to the District;
- Final expenditures and other funding received; and
- Any other information requested by the Committee or District staff.

18. PAYMENT

If funding is approved by the Board of Directors, the recipient organization must submit an invoice and any other documentation requested by District Staff to: team@swdistrict.org

Payment timing is subject to District processing procedures.

19. POLICY ADMINISTRATION

The Southwest Management District reserves the right to interpret and administer this Policy & Procedures in a manner consistent with applicable law, the District's legislative mandates, mission, Service and Improvement Plan, and the decisions of the Board of Directors.

The Board of Directors may amend this Policy & Procedures.