

111TH CONGRESS
1ST SESSION

S. 609

To amend the National and Community Service Act of 1990 to establish
a Nonprofit Capacity Building Program.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2009

Mr. BAUCUS introduced the following bill; which was read twice and referred
to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the National and Community Service Act of 1990
to establish a Nonprofit Capacity Building Program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nonprofit Capacity
5 Building Act of 2009”.

6 **SEC. 2. NONPROFIT CAPACITY BUILDING PROGRAM.**

7 Title III of the National and Community Service Act
8 of 1990 (42 U.S.C. 12501 et seq.) is amended—

9 (1) by striking the title heading and inserting
10 the following:

**“TITLE III—VOLUNTEER AND
CHARITABLE ACTIVITIES
“Subtitle A—Points of Light
Foundation”;**

and

(2) by adding at the end the following:

**“Subtitle B—Nonprofit Capacity
Building Program**

“SEC. 311. PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) INTERMEDIARY NONPROFIT GRANTEE.—

The term ‘intermediary nonprofit grantee’ means an intermediary nonprofit organization that receives a grant under subsection (b).

“(2) INTERMEDIARY NONPROFIT ORGANIZA-

TION.—The term ‘intermediary nonprofit organization’ means an experienced and capable nonprofit training and technical assistance entity with meaningful prior experience in providing organizational development assistance, or capacity building assistance, focused on small and midsize nonprofit organizations.

“(3) NONPROFIT.—The term ‘nonprofit’, used

with respect to an entity or organization, means an entity or organization described in section 501(c)(3)

1 of the Internal Revenue Code of 1986 and exempt
2 from taxation under section 501(a) of such Code.

3 “(4) STATE.—The term ‘State’ means each of
4 the several States, and the District of Columbia.

5 “(b) GRANTS.—The Corporation shall establish a
6 Nonprofit Capacity Building Program to make grants to
7 intermediary nonprofit organizations to serve as inter-
8 mediary nonprofit grantees. The Corporation shall make
9 the grants to enable the intermediary nonprofit grantees
10 to pay for the Federal share of the cost of delivering orga-
11 nizational development assistance for small and midsize
12 nonprofit organizations, especially those nonprofit organi-
13 zations facing resource hardship challenges. Each of the
14 grantees shall match the grant funds by providing a non-
15 Federal share as described in subsection (f).

16 “(c) PERIODS AND AMOUNT.—The Corporation shall
17 make such a grant for a period of 3 years, unless the Cor-
18 poration, in the Corporation’s discretion, provides for a
19 different period, for an initial or renewed grant. To the
20 extent practicable, the Corporation shall make such a
21 grant to an intermediary nonprofit organization in each
22 State, and shall make such grant in an amount of not
23 less than \$200,000.

24 “(d) APPLICATION.—To be eligible to receive a grant
25 under this section, an intermediary nonprofit organization

1 shall submit an application to the Corporation at such
 2 time, in such manner, and containing such information as
 3 the Corporation may require. The intermediary nonprofit
 4 organization shall submit in the application information
 5 demonstrating that the organization has secured sufficient
 6 resources to meet the requirements of subsection (f).

7 “(e) PREFERENCE AND CONSIDERATIONS.—

8 “(1) PREFERENCE.—In making such grants,
 9 the Corporation shall give preference to intermediary
 10 nonprofit organizations seeking to become inter-
 11 mediary nonprofit grantees in areas where nonprofit
 12 organizations face significant resource hardship
 13 challenges.

14 “(2) CONSIDERATIONS.—In determining wheth-
 15 er to make a grant the Corporation shall consider—

16 “(A) the number of small and midsize non-
 17 profit organizations that will be served by the
 18 grant;

19 “(B) the degree to which the activities pro-
 20 posed to be provided through the grant will as-
 21 sist a wide number of nonprofit organizations
 22 within a State, relative to the proposed amount
 23 of the grant; and

24 “(C) the quality of the organizational de-
 25 velopment assistance to be delivered by the

intermediary nonprofit grantee, including the qualifications of its administrators and representatives, and its record in providing services to small and midsize nonprofit organizations.

“(f) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share of the cost as referenced in subsection (b) shall be 50 percent.

“(2) NON-FEDERAL SHARE.—

“(A) IN GENERAL.—The non-Federal share of the cost as referenced in subsection (b) shall be 50 percent and shall be provided in cash.

“(B) THIRD PARTY CONTRIBUTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), an intermediary nonprofit grantee shall provide the non-Federal share of the cost through contributions from third parties. The third parties may include charitable grantmaking entities and grantmaking vehicles within existing organizations, entities of corporate philanthropy, corporations, individual donors, and regional, State, or local government agencies, or other non-Federal sources.

1 “(ii) EXCEPTION.—If the inter-
2 mediary nonprofit grantee is a private
3 foundation (as defined in section 509(a) of
4 the Internal Revenue Code of 1986), a
5 donor advised fund (as defined in section
6 4966(d)(2) of such Code), an organization
7 which is described in section
8 4966(d)(4)(A)(i) of such Code, or an orga-
9 nization which is described in section
10 4966(d)(4)(B) of such Code, the grantee
11 shall provide the non-Federal share from
12 within that grantee’s own funds.

13 “(iii) MAINTENANCE OF EFFORT,
14 PRIOR YEAR THIRD-PARTY FUNDING LEV-
15 ELS.—For purposes of maintaining private
16 sector support levels for the activities spec-
17 ified by this program, a non-Federal share
18 that includes donations by third parties
19 shall be composed in a way that does not
20 decrease prior levels of funding from the
21 same third parties granted to the nonprofit
22 intermediary grantee in the preceding
23 year.”.

1 **SEC. 3. CONFORMING AMENDMENT.**

2 Section 501(b) of the National and Community Serv-
3 ice Act of 1990 (42 U.S.C. 12681(b)) is amended—

4 (1) by striking “There are” and inserting the
5 following:

6 “(1) POINTS OF LIGHT FOUNDATION.—There
7 are”;

8 (2) by striking “title III” and inserting “sub-
9 title A of title III”; and

10 (3) by adding at the end the following:

11 “(2) NONPROFIT CAPACITY BUILDING PRO-
12 GRAM.—There are authorized to be appropriated to
13 carry out subtitle B of title III \$25,000,000 for fis-
14 cal year 2010 and such sums as may be necessary
15 for each of the 2 succeeding fiscal years.”.

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