

Amending The Policy Adopted Pursuant To Resolution No. 78 Of 2024, Requiring Nonprofit Vendors To Comply With Applicable Financial Reporting And Tax Filing Regulations, In Relation to Effective Date

Referred to: The Ways and Means Committee (Chairman Gavaris and Legislators Collins, Hansut, Kovacs, Nolan, Roberts, and Uchitelle)

Legislators Jeff Collins and John Gavaris offer the following:

WHEREAS, per Resolution No. 78 adopted April 16, 2024, Ulster County enacted policy to ensure vendors doing business with the county adhere to all applicable rules and regulations to the maximum extent possible when working for and conducting business on behalf of the County; and

WHEREAS, said policy reads as follows:

“Ulster County hereby establishes a policy that all contracts with nonprofit vendors with a 501 (c)(3) or 501 (c)(6) status executed on or after January 1, 2025 shall contain the option to withhold the last and final contractual payment if the vendor is not current with applicable financial reporting and tax filings.

Ulster County shall confirm compliance, as directed by the County Executive, with applicable financial reporting and tax filings and withhold the last and final contractual payment for non-compliance.

A waiver from this policy may be granted by a two-thirds vote of the Ulster County Legislature in support of such waiver.

The County Executive, him/her/themselves or through designee, shall ensure all contracts with nonprofit vendors with a 501 (c)(3) or 501 (c)(6) status executed on or after January 1, 2025 are in compliance with applicable financial reporting and tax filings before execution.

Ulster County shall provide notice of this Policy on the county’s website and in all announcements, including contracts, procurement requests, and requests for proposals”; and

WHEREAS, such policy requires nonprofit vendors with 501(c)(3) or 501(c)(6) status to be current with applicable financial reporting and tax filings as a condition of both initial contracting and final contract payment; and

WHEREAS, it has been determined that clarification is needed regarding the definition of “current compliance” and the enforcement mechanisms to ensure the fair and consistent application of this policy, particularly with consideration for smaller nonprofit organizations; and

Resolution No. 325 July 15, 2025

Amending The Policy Adopted Pursuant To Resolution No. 78 Of 2024, Requiring Nonprofit Vendors To Comply With Applicable Financial Reporting And Tax Filing Regulations, In Relation to Effective Date

WHEREAS, the County Executive has requested time to work through operational challenges that have arisen since the policy's inception, as well as time to determine what additional policy modifications may be recommended to ensure success of the initiative; now, therefore be it

RESOLVED, the policy adopted pursuant to Resolution No. 78 of 2024, Requiring Nonprofit Vendors To Comply With Applicable Financial Reporting And Tax Filing Regulations, shall be amended as follows:

“The County Executive, him/her/themself or through designee, shall ensure all contracts with nonprofit vendors with a 501 (c)(3) or 501 (c)(6) status executed on or after January 1, ~~2025~~ **2026** are in compliance with applicable financial reporting and tax filings before execution,”

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

Passed Committee: Ways and Means on _____.

FINANCIAL IMPACT:

NONE