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## Chapter 2

### Non-profit Operating Expense Assistance

IHFA will allocate five (5%) percent of its HOME ARP allocation to provide non-profits with financial resources to assist with general operating expenses. The period of performance will be one-year and the HOME Department reserves the right to negotiate the extension of contracts with successful applicants, including additional funding. The non-profit, at a minimum, must:

- Participate in the Balance of State Continuum of Care (CoC) or is a referring partner with the CoC
- If not a member of the CoC, must be a 501(c)(3) providing rental housing or eligible supportive services (as described in Chapter 4)
- Have financial capacity to be reimbursed for eligible operating expenses
- Have an IHFA eligible HOME ARP activity (supportive services or rental housing) within 24 months of receiving a grant agreement
- Conform to record keeping requirements found in 2 CFR 200 Subpart D
- Provide supportive services and/or rental housing development in communities outside of Boise.

#### *Organization Requirements*

The organization must have, but is not limited to:

- Documented non-profit status with the IRS
- Organizational policies and procedures conforming with 2 CFR 200, Subpart D, including but not limited to:
  - Providing annual financial audits
  - Internal controls
    - Separation of duties
  - Conflict of interest provisions
  - Procurement
  - Record retention
- An ability to be reimbursed for eligible costs
- Maintain client records
- Must provide or demonstrate ability to have an eligible project or activity within 24 months of receiving grant award. If organization does not have eligible project or activity, IHFA may: 1) require a workout plan; 2) not provide additional funding; or 3) require repayment of funds.

#### *Eligible Expenses*

Operating expenses are reasonable and necessary general operating costs for supportive services or rental housing (Permanent Supportive Housing). Eligible costs may include:

- Salaries (including benefits)
  - Provide detailed time records of employees working on HOME ARP supportive services for qualifying individuals or households

- Provide documentation demonstrating the paid amounts of an employee's time, taxes, benefits, etc.
- Sustaining employment for previously hired staff with other emergency funding
- Costs licensing requirements (i.e. annual fees or continuing education)
- Rent and insurance
- Utilities
- Communication costs
- Training (travel, mileage, per diem, and registration for training) *must conform with rates found at: <https://www.gsa.gov/travel-resources>*

*Expenses **must be** used for general operating costs, with no particular final cost objective (such as a project or activity) and cannot be directly assignable to a HOME ARP activity or project.*

*For example: HOME ARP funds for operating expenses may **not** be used for staffing costs to provide supportive services or develop HOME ARP rental housing (as operating costs to develop HOME ARP rental housing are paid for by a developer fee which is a project delivery or soft cost).*

*The actual costs of implementing a specific activity or project, including staff costs to deliver supportive services, are considered HOMR ARP project delivery costs or project soft costs and are not eligible under Non-profit Operating and Capacity Building Assistance.*

#### *Limits on Assistance*

IHFA will provide eligible non-profits\* with no more than \$50,000 per year (agency maximum is \$100k) for operating assistance expenses, so long as:

- Compliance with federal regulations are demonstrated, as evidenced through agency monitoring;
- Organization applies for funding in second year; and
- If the organization is applying for capacity building in addition to operating assistance, the limit is \$75,000 (or \$37,500 from each source).

*The \$50,000 must not make up more than 50% of the non-profits organizational budget. If it is more than 50%, IHFA will then adjust the annual award to be no more than 50%. (i.e. ABC Child Care's operating budget is \$80,000 – IHFA's capacity building grant would not exceed \$40,000 for the program year.)*

The non-profit may not incur expenses prior to the execution of a written agreement detailing award amount, reimbursement process, and eligible expenses.

\*Organizations that have received CHDO operating grants are eligible to apply, so long as there is a HOME ARP eligible activity within 24 months of the executed contract. For the development of rental housing, this must include Permanent Supportive Housing (PSH).

*Funding will be made available at a different application cycle for operating grants to develop PSH units.*

## *Application Scoring*

Applications will be available after the Administration Plan for HOME ARP Supportive Services is approved. Provided in this section is the scoring criteria for non-profits who *might* be applying for assistance. Each source HOME ARP Operating Assistance, Capacity Building, and Direct Supportive Services will require a separate application.

IHFA will provide grant workshops during the application period to familiarize non-profits with the process and requirements of the funding. Participation is mandatory prior to submitting an application.

IHFA reserves the right not to review incomplete applications submitted by organizations.

## **Minimum Threshold Requirements**

1. Documentation of training records for key program staff over the previous 12 months
2. Resume(s)/Statement of Experience for all key development staff that will be involved with supportive service activities
3. Letter of support from the Board or Board President supporting the submission of this application
4. Organizational Plan or agency information demonstrating the application aligns with goals and objectives relative to the development of supportive services
5. Notarized statement from a Certified Public Accountant indicating the organization's internal controls conforming with 2 CFR 200 Standards for Financial Management Systems
6. Most recent CPA-prepared Financial Statements\* - IHFA will evaluate the organization has adequate financial management systems and practices in place, as well as, sufficient financial resources to carry out the project to completion.
7. Proposed operating budget for the year in which the funding is requested. The budget must include anticipated sources of revenue, including funds provided by other intermediaries for organizational support and/or housing education.

*\*Please be advised, if the organization expends more than \$750,000 in federal funds, a single-audit will be required.*

## Operating Assistance Grant Scoring Criteria

	Yes	No	
Has successfully worked with HUD funds in the last 24 months. (20 Pts)			
Has worked with homeless populations in the last 24 months. (20 Pts)			
Is located outside the municipal boundaries of Boise, Idaho (10 Pts)			
Will be able to have a HOME ARP eligible activity or project within 24 months of being awarded initial operating grant. (30 Pts)			
Has established community partners whom work together to provide housing/services to homeless/income restricted populations. (10 Pts)			
If you answered “No” to all the questions above, please contact the HOME Technical Assistance and Supportive Services Assistant for additional information.			
Anticipated request as a % of organization’s total operating budget: 0 – 29% (10) 30 – 49% (5) Over 50% (0)	Up to 10 points		
The organization will <u>not</u> receive operating assistance from other federal sources (SHOP, USDA-RD, HUD, CHDO, CoC, ESG, NeighborWorks, etc.) this year.	10 Points		
Has professional staff who have successfully provided supportive services or developed rental housing for homeless populations. (15 pts)	15 Points		
Has organizational policies and procedures developed, minimally for: procurement, conflict of interest, cash handling, separation of duties, and record keeping requirements.  Developed policies and procedures (15)  Partially developed policies and procedures (5)  No developed policies and procedures (0)	Up to 15 Points		
<b>TOTAL MAXIMUM POINTS</b>	<b>140 points</b>		

*Note: The minimum point threshold is 84 points for funding consideration.*