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## Chapter 3

### Non-profit Capacity Building

IHFA will allocate five (5%) percent of its HOME ARP allocation to provide non-profits with financial resources to increase capacity for delivering services to qualifying populations. 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) provides rental housing or supportive services
- Have financial capacity to be reimbursed for eligible operating expenses
- Be able to deliver the supportive services or rental housing it is requesting capacity building funds for within 24 months of a grant agreement
- Ensure all required licenses are maintained for the supportive service it is delivering
- Ensure client files will be maintained in conformance with record keeping requirements found in 2 CFR 200 Subpart D
- If the non-profit is located in Boise, it must be able to demonstrate how funds will increase capacity for residents who do not live in 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. 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*

Capacity building expenses are reasonable and necessary general operating costs resulting in **expansion or improvement** for the delivery of HOME ARP eligible supportive services or rental housing (Permanent Supportive Housing). Eligible costs may include:

- Salaries (including benefits) for new hires
  - Provide detailed time records of employees working on HOME ARP supportive services for qualifying individuals or households
  - New hires are those individuals hired after the execution of a written agreement with IHFA. *Individuals hired under other federal emergency funds should be part of the operating grant.*
  - Provide documentation demonstrating the paid amounts of an employee’s time, taxes, benefits, etc.
- Costs licensing requirements (i.e. annual fees or continuing education)
- Contracts for technical assistance for consultants with expertise related to HOME ARP qualifying populations

*Limits on Assistance*

IHFA will provide eligible non-profits\* with no more than \$50,000 per year (up to \$100k max) for capacity building related expenses, so long as:

- Goals towards improving or expanding the delivery of supportive services are being met\*\*;
- Compliance with federal regulations are demonstrated through agency monitoring;
- Organization applies for funding in second year; and
- If the organization is applying for operating assistance in addition to capacity building, 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 the 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. 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.*

\*\* Eligible non-profits must provide or demonstrate ability to have an eligible project or activity within 24 months. 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.

## 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.*

## Capacity Building 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 demonstrate increased capacity with an eligible project in 24 months of being awarded initial capacity building grant. (30 Pts)			
If awarded funds, would have an ability to begin capacity building within six months. (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 assistance or any other capacity building support from other federal sources (SHOP, USDA-RD, HUD, 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.*