



**Housing Trust Fund
Application for Nonprofit Participation
2010 - 2011**

Introduction:

The South Carolina Housing Trust Fund (Housing Trust Fund) was created by the South Carolina General Assembly under the Housing Trust Fund Act of 1992. The primary purpose of the Housing Trust Fund is to promote the preservation of safe, sanitary and affordable housing for low-income families in the State of South Carolina. The South Carolina State Housing Finance and Development Authority (“the Authority”), acting as the Administrator for the State.

The Housing Trust Fund requirements are set forth in the S.C. Code of Laws. See *Sections 31-13-400 through 31-13-470*. An approved Housing Trust Fund participant is restricted to eligible Housing Trust Fund activities in which the nonprofit acts as either a developer or sponsor of affordable housing.

If your nonprofit 501© (3) or (4) organization is interested in providing or improving affordable housing for low-income persons or families and would like to establish your organization as a qualified nonprofit to participate in the Housing Trust Fund programs, please complete and return the attached application to:

Linda Hough-Hicks
SC State Housing Finance and Development Authority
300-C Outlet Pointe Blvd.
Columbia, SC 29210
(803) 896-9338
(803) 551-4896 Fax
linda.hough-hicks@schousing.com

Eligibility Requirements

To become qualified the nonprofit must:

- ❖ Be a private, 501© (3) or (4) nonprofit organization;
- ❖ This letter is obtained from the IRS;
- ❖ Be organized under the laws of the State of South Carolina;
- ❖ Registered with the Secretary of State's Office;
- ❖ Perform housing related services within a defined service area, such as those identified in the Housing Trust Fund program;
- ❖ Provide written evidence of community support from the jurisdiction in which the service area is located;
- ❖ Provide evidence of previous housing experience;
- ❖ Provide financial data to support your nonprofit's financial responsibility and capacity;
- ❖ Provide documented "approval" from your nonprofit's board of directors to participate in the Housing Trust Fund program;
- ❖ No person may seek to derive profit or financial gain from the organization's participation in Authority programs, including any member of a nonprofit's staff, family member, board of directors, or any related person seeking any direct or indirect benefit.

CHDO EXEMPTION: Any 501© (3) or (4) nonprofit organization approved under the State HOME program as a **C**ommunity **H**ousing **D**evelopment **O**rganization (**CHDO**) is exempt from the above requirements of this manual. In order to participate in the Housing Trust Fund, the **CHDO** should submit the HTF cover sheet along with the approval letter from HOME to Linda Hough-Hicks at the address listed on the previous page.

**South Carolina State Housing Finance
and Development Authority**

Housing Trust Fund Program

Application for Nonprofit Participation

Name of Organization:		Executive Director:	
		Contact Person:	
Mailing Address:	Street Address:	Executive Director Telephone & Email:	Contact Person Telephone & Email:
City, State, Zip		Fax:	
Date of Incorporation:	Federal ID#:	Number of Board Members:	
Defined Service Area(s):		Preferred HTF Activity:	

**Please include this page as your cover sheet for the Application
for Nonprofit Participation**

2010 - 2011

Clarification and Explanation of Application for Nonprofit Participation

TAB 1 - Internal Revenue Service Status Letter:

Please provide your IRS Tax Exempt letter documenting your 501© (3) or © 4 Status.

TAB 2 – Legal Operating Ability (Attachment A):

Please provide a copy of your Certificate of Incorporation, Articles of Incorporation and a copy of your organization's By Laws;

- ✓ By Laws must include a clear **“Housing purpose”**, such as the provision to provide safe, sanitary and affordable housing to low and moderate income families;
- ✓ By Laws must be exclusive to your organization;
- ✓ Please complete **“Attachment A”** to include the board term of each board member. *A Life Time Board Term is not acceptable;*
- ✓ A nonprofit must have a minimum of **five (5) board members** with the majority of board members situated within the defined service area(s).

TAB 3 – Defined Service Area:

All nonprofits must perform service within a defined area.

- ✓ A map and description of the service area must be provided;
- ✓ This must be evident in the organizations Charter, Articles of Incorporation and By Laws; or an approved Resolution by the Board of Directors.

TAB 4 – Community Support:

Nonprofits must provide written community support letters from the jurisdiction(s) in which it plans to provide services; a minimum of **three (3) letters** is sufficient.

- ✓ These letters can be obtained from your local municipalities, local community leaders or other participating nonprofits in your area.
- ✓ These letters must be on letterhead from the supporting organization.
- ✓ All letters must be dated within six (6) months.

TAB 5 – Housing Experience (Attachment D):

Nonprofits must demonstrate that they have at least **one year** housing experience serving the community where it intends to provide affordable housing, such as those activities identified by the Housing Trust Fund program.

- ✓ **Newly created organizations** wishing to become qualified nonprofits can meet this requirement if a consulting qualified nonprofit is in good standing with the Authority and has also provided service(s) to the community for at least one year.
- ✓ **Please include a “Contract for Services” from the consulting qualified nonprofit. “Attachment D” must be included with full disclosure.**
- ✓ **Contract for Services must include “who” the consultant is;**
- ✓ **Please include a Resume of the consultant as documented evidence of at least one year experience;**
- ✓ **Please provide *specific duties* of the consultant; such as, *who will determine eligibility of the beneficiary; assemble beneficiary packages for delivery to the Authority;***
- ✓ **Signatures of both parties;**
- ✓ Nonprofits with ***limited or no experience*** planning to use experienced qualified nonprofits for training activities, the following documentation must be submitted as evidence:
 - ✓ Documentation from the qualified nonprofit demonstrating they have completed projects similar to the proposed activities;
 - ✓ A copy of the Contract for Services with full disclosure;
 - ✓ The training plan that’s being used to train key staff members or its principal officers.

Acceptable documentation must also include previous expertise in providing the type of services or performing the type of activity for which funding is sought. This documentation may relate to either the qualified nonprofit or the principal officers of the newly created nonprofit. Also include any newspaper clippings, annual reports or funding approvals from other organizations.

PLEASE NOTE: Based on the expertise/experience of the newly created nonprofit; the Authority reserves the right to restrict program activity.

TAB 6 – Financial Capacity (Attachment B):

Nonprofits must meet the Authority’s financial underwriting requirements:

- ✓ Please provide a copy of your organizations most recent audited financial statements, in addition to a month end balance sheet and/or a completed income tax return.
- ✓ Please complete The Financial Certification (**Attachment B**). At a minimum, a potential qualified nonprofit must demonstrate that it is financial viable and have a sound financial management system already in place that provides for the proper control and reporting of the organizations activities.
- ✓ **Newly created organizations** less than one (1) year old, without audited financial statements must provide at a minimum, **six (6) months** of bank statements to document evidence of financial stability.

PLEASE NOTE: A nonprofit can be denied participation in the Housing Trust Fund Program if major weakness and or negative financial conditions are noted in the financial statements.

TAB 7 – Staff Capacity (Attachment C):

Nonprofits must demonstrate that it has the staff capacity to implement the additional workload associated with the Housing Trust Fund.

- ✓ All nonprofits must have an office telephone with voice mail, fax machine and a working email address. It is advised that when communicating with the Housing Trust Fund staff your organization utilizes email.
- ✓ Please provide resumes for all key staff members and principal officers associated with the implementation of the Housing Trust Fund program.

PLEASE NOTE: There is a significant difference in the type of experience and capacity required to carry out the eligible Housing Trust Fund activities. Therefore, experience in having completed similar Housing Trust Fund projects, such as Owner-Occupied Rehabilitation, Homeownership, Emergency Repairs, Rental, Supportive Housing and Group Homes draws a distinction between development/management and development/sales.

TAB 8 – No Individual Benefit:

The Housing Trust Fund is statutorily enabled to provide a benefit to persons in economic need. Insuring personal benefit, directly or indirectly, frustrates the purpose of the Housing Trust Fund. To that end, no person may seek to derive profit or financial gain from the organization’s participation in Authority programs, including any member of a nonprofit’s staff, family member, board of directors, or any related person seeking any direct or indirect benefit.

Application Review and Eligibility:

Upon receipt of the above items, the Authority will evaluate your organization's eligibility to participate in the Housing Trust Fund programs. Qualifying nonprofits will receive an approval letter within **fourteen (14) days**. Qualifying nonprofits must be approved to participate in the Housing Trust Fund program at least **thirty (30) days** prior to submitting your first application for funding; and attend a one-on-one Technical Assistance meeting.

Organizations failing to qualify will receive a letter explaining the reasons for denial. Organizations may re-submit any missing documents or provide clarification for any denial letter. All denied applications will be kept on file for six (6) months. If you fail to correct a deficiency after six (6) months; your organization must re-apply.

Please contact Linda Hough-Hicks at (803) 896-9338 for further assistance.

TAB 1

IRS 501 c (3) or c (4) Letter

TAB 2

CERTIFICATE OF INCORPORATION
ARTICLES OF INCORPORATION
BYLAWS
ATTACHMENT A

TAB 3

DEFINED SERVICE AREA
MAP
DESCRIPTION

TAB 4

COMMUNITY SUPPORT LETTERS(S)

TAB 5

HOUSING EXPERIENCE

ATTACHMENT D

CONTRACT FOR SERVICES

TAB 6

FINANCIAL RESPONSIBILITY
ATTACHMENT B

TAB 7

STAFF CAPACITY
ATTACHMENT C

TAB 8

NO INDIVIDUAL BENEFIT

ATTACHMENT B

South Carolina State Housing Finance and Development Authority HOUSING TRUST FUND CERTIFICATION OF STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

Organization: _____ Date: _____

Financial Representative

Name: _____
(print)

As the Financial Representative for (organization name) _____ on oath swears the following statements are true and are within the personal knowledge of certification:

1. Financial Representative of the above named organization is authorized to make certification on behalf of the organization.
2. The organization's financial management system must conform to the financial accountability standards by providing for and incorporating the following:
 - a. Accurate, current, and complete disclosure of the financial results of each sponsored project;
 - b. Records which identify the source and application of funds for sponsored activities. These records contain information pertaining to awards, developers fees, professional fees, authorizations, obligations, un-obligated balances, assets, expenditures, income, and interest;
 - c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets are adopted to assure that all assets are used solely for authorization purposes;
 - d. Comparison of expenditure with budget amounts for each award;
 - e. Written procedures to minimize the time elapsing between the receipt of funds and issuance of payment to contractors and vendors for program purposes by the organization;
 - f. Written procedures for determining the reasonableness, allocation, and allowability of costs in accordance with cost accounting principles and the terms and conditions of the award;
 - g. Accounting records, including cost-accounting records that are supported by source documentation.

Financial Representative's (Signature)

Board Chairperson's (Signature)

Date

Date

ATTACHMENT C Contact Person and Staff Members

Organization: _____

Contact Person(s)	Telephone No.	Fax No.	Email Address:
Executive Director:			
Contact Person:			

Staff Members	Telephone No.	Fax No.	Email Address:

ATTACHMENT D

South Carolina State Housing Finance and Development Authority

HOUSING TRUST FUND DISCLOSURE

Name of Organization: _____

Consulting
Organization: _____

Date approved to participate in HTF: _____ No. of Projects completed: _____

Please list all staff members and their specific duties as it pertain to the implementation and training for the above organization:

Consulting Staff Member(s)	Specific Duties

List HTF Organizations you currently represent

Are they all in good standing with the Authority? : _____ Yes _____ (*)No

Authorized Signature of new nonprofit

Authorized Signature of consulting organization

Date

Date