

NEIGHBORHOOD ASSISTANCE PROGRAM (NAP) 2023-24 POST-AWARD WEBINAR

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1:30 PM Eastern

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**CONGRATULATIONS ON BEING
AWARDED 2023-24 NEIGHBORHOOD
ASSISTANCE PROGRAM TAX CREDITS!**

AGENDA

1. Intro to IHCDA
2. IHCDAOnline system (Lisa Ditchley, Financial Operations Manager)
3. NAP Summary and Review
4. Contribution Policy
5. Eligible Donors
6. Eligible Donations
7. Record Keeping
8. Program Timeline
9. Reporting
10. Tax Preparation
11. Contacting IHCDA
12. Next Steps

IHCDA

OUR VISION FOR INDIANA

An Indiana with a sustainable quality of life for all Hoosiers in the community of their choice.

OUR MISSION


To provide housing opportunities, promote self-sufficiency, and strengthen communities.

COLLABORATION

Associates contribute to status as an industry leader by actively seeking collaborative opportunities with colleagues and partners to achieve shared goals and maintain acceptable risk levels while promoting trust, open communication, and learning.

IHCDAOnline

<https://online.ihcda.in.gov/>



Indiana Housing & Community Development Authority

Indiana Housing Online Management System

Welcome to Indiana Housing and Community Development Authority's online services.

This site allows our partners to access resources for managing their awards and meeting their reporting requirements.

Authority Online	The Authority Online site is used for claims management, online applications, data management, and reporting.
DMS Online	The DMS Online site is for the new single family homeownership reservation system starting 8/31/2017.
ClientTrack	ClientTrack is used for managing client information and reporting for HMIS.
Weatherization	The Weatherization Assistance Program site is used for Weatherization data and reporting.

Please note that the link has changed.
The new URL to this site is <https://online.ihcda.in.gov>

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NAP SUMMARY

The Neighborhood Assistance Program (NAP) is a program in the State of Indiana that provides \$2.5 million tax credits annually to non-profit organizations for distribution as a fundraising and capacity building tool for certain neighborhood-based programs and projects benefitting economically disadvantaged areas and/or persons.

NAP credits are distributed to donors in exchange for contributions to the non-profit organization. NAP credits are worth 50% of the value of the contribution and are used to reduce the donor's **Indiana State** tax liability.

Donations are reported to IHCDA by the organization, and each January, IHCDA prepares and submits a report with all donor information to the Indiana Department of Revenue (IDOR) so the credits can be applied to the donors' state tax liability.

NAP was established by Indiana Code 6-3.1-9.

NAP PARTNER WEBSITE

<https://www.in.gov/ihcda/program-partners/neighborhood-assistance-program-nap/>



[IHEDA](#) » [PROGRAM PARTNERS](#) » NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

The Neighborhood Assistance Program (NAP) offers \$2.5 million in tax credits annually for distribution by not-for-profit corporations. Organizations use NAP tax credits as an incentive to help them leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects. Eligible projects include affordable housing, counseling, child-care, educational assistance, emergency assistance, job training, medical care, recreational facilities, downtown rehabilitation, and neighborhood commercial revitalization. All projects must benefit economically disadvantaged areas and/or persons. The NAP program follows the state fiscal year from July 1 to June 30. The maximum tax credit award per organization per fiscal year is \$15,000.00. Tax credits are distributed to donors at 50% of the contribution amount and are subtracted from a donor's state income tax liability. Indiana Code 6-3.1-9 established the NAP program.

Want to learn more about the tax credits for your non-profit? Click [here](#) to access a program summary, contact the Community Programs Manager at (317) 941-4351, or via email at NAP@ihcda.in.gov to learn about IHEDA's NAP Program and process.

UPDATE TO BENCHMARK REPORTING: Organizations that are ready to provide donation information for their 60% or 100% Benchmark report need to use <https://online.ihcda.in.gov/> to complete those reports.

NAP CONTACT INFORMATION

Please email NAP@ihcda.in.gov with any questions.

2023-2024 NEIGHBORHOOD ASSISTANCE PROGRAM

- [2023-2024 NAP Approved Organizations](#)

NAP Important Calendar Dates

NAP RESOURCES

- [NAP Program Flyer](#)
- [NAP Donor Contribution Form](#) - updated June 17, 2021
- [NAP Reporting Instructions](#)
- [NAP Frequently Asked Questions](#)



AWARD PROCESS

The formula below is used to determine the value of an applicant's NAP award. When determining awards, the total available credits and total requested credit amount of all approved agencies are considered.

This means that awarded credit amount you receive is based on the total amount that has been requested by all agencies and your agency's individual request (adjusted for credit restrictions), rather than IHCD's discretion.

$$\left(\frac{\text{Total Available Credits}}{\text{Total Requested Credits}} \right) = \text{Allocation Percentage} \times \text{Applicant Requested Credits} = \text{Award Amount}$$

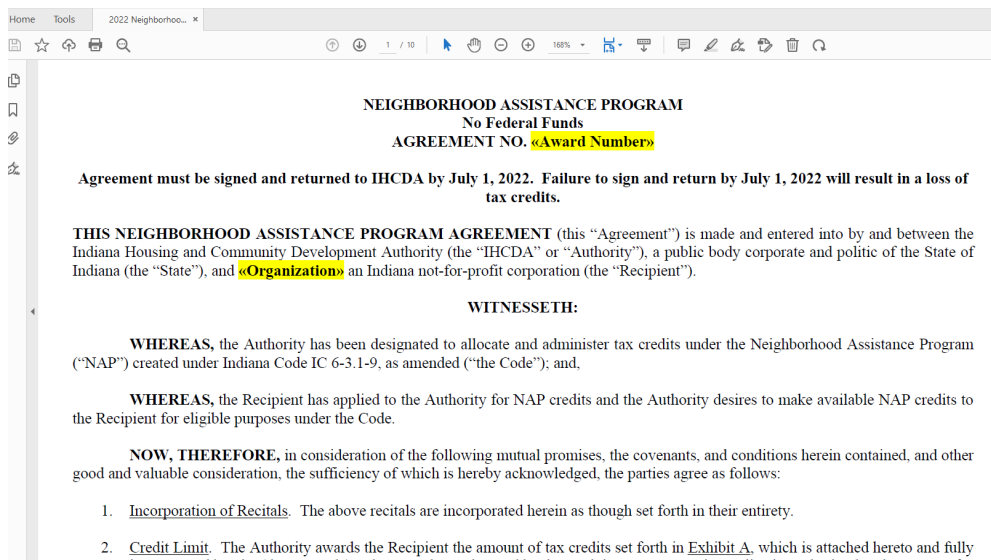
The diagram illustrates the award calculation formula. It is presented as a sequence of boxes connected by mathematical symbols. The first box contains 'Total Available Credits' with a sub-note '(\$2.5 million in 2016)'. This is followed by a division symbol and a second box containing 'Total Requested Credits'. This fraction is then multiplied by 'Allocation Percentage', which is followed by a multiplication symbol and a third box containing 'Applicant Requested Credits'. Finally, an equals sign leads to a box containing 'Award Amount'. Two red circles are drawn around the 'Total Requested Credits' box and the 'Applicant Requested Credits' box to highlight their importance in the calculation.

NAP AGREEMENT

Award agreements from all 274 approved and participating agencies have been signed, and each agency should have received a fully executed copy.

The organization's **award number** can be found at the top of the agreement and is in the format **2023-NP-XXX**. You will need this number for reports and when contacting IHEDA with questions.

The agreement also provides info on reporting deadlines and consequences for missing those deadlines.



NAP AWARD VS FUNDS RAISED

The total credits each organization has to distribute are referred to as the “award.” This amount is listed under the “Credit Limit” section of Exhibit A of the agreement.

The funds raised by each organization (if all credits are sold) should equal twice the amount of the awarded credits.

Examples:

- If your organization was awarded \$11,100, when all credits have been sold, you will have raised \$22,200.
- If a donor gives your organization \$200 as a contribution, they should receive \$100 in credits.
- If your organization wants to distribute \$1,500 in credits to a donor, they need to contribute \$3,000.

CONTRIBUTION POLICY

Agencies can begin accepting contributions starting July 1. All agencies should have automatically received a fully executed copy of the Grant Agreement from Adobe Sign.

Credits for donations can only be claimed in the calendar year that the donation was made in. This means that for 2023-2024 NAP credits:

- If a donation is made in the 2023 calendar year (July 1 through December 31, 2023 – the first half of the program year), the donor will claim the credit on their 2023 Indiana State taxes.
- If the donation is made during the 2024 calendar year (January 1 through June 30, 2024 – the second half of the program year), the donor will claim the credit on their 2024 Indiana State taxes.

CONTRIBUTION LIMITS

Multiple donations are allowed, to one or many organizations.

If multiple donations are made to one agency and all donations are credit-eligible, then the donor should receive a contribution form for each donation.

A single donor may only claim up to \$25,000 in total credits (for \$50,000 in donations) each calendar year, even if they donated to multiple organizations. Anything beyond that will not be honored.

Each donation must a minimum of \$100 (\$50 in NAP credits), UNLESS an agency has less than \$50 in credits remaining. In this case, the donation must be for the remaining credit amount.

WHEN DONATION > AVAILABLE CREDITS

Sometimes, a donor will want to contribute more than your organization's available credits. If the donor agrees, you may accept the full donation but would only provide the donor with your remaining available NAP credits (see #3 on Donor Contribution Form). The NAP eligible contribution would then equal double the amount of credits provided to the donor rather than their entire contribution amount (see #4). This NAP eligible donation is also the amount you enter when completing your reporting.

Examples:

NAP Agency A has \$5,000 left in credits and a donor contributes \$10,000.

In this case, the donor receives Agency A's remaining \$5,000 credits. The entire \$10,000 donation is recorded for number 1 on the Donor Contribution Form.

NAP Agency B has \$5,000 left in credits and a donor contributes \$12,000.

In this case, the donor receives Agency B's remaining \$5,000 credits. Only \$10,000 of the \$12,000 donation is recorded on the donor contribution form.

Credit Computation			
(Contributor must sign below, provide proof of payment and/or a statement of the value of all services and materials donated)			
Date of contribution		Agreement Number	
1.	Total Amount of contribution. Describe type: _____	1.	\$
2.	Multiply line 1 by 50% (x .50)	2.	\$
3.	Tentative amount of credit: lessor of line 2 or \$25,000* or organization's remaining available credits	3.	\$
4.	NAP Eligible Contribution to be reported to IHCD and IDOR: multiply line 3 by 200%, (x 2)	4.	\$

****Most times, 1 = 4 and 2 = 3 UNLESS the donation will put the donor over the \$25,000 credit per calendar year maximum or the organization has a smaller amount of available credits than 50% of the donation amount.****



Indiana Housing & Community Development Authority

ELIGIBLE DONORS

Organizations or Corporations:

- Organizations and corporations are welcome to make NAP tax credit eligible contributions.
- Additional steps or information may be required when reporting these contributions, based on whether **the organization** or **its shareholders** claim the credits.

Families or Couples:

- See manual for how to treat donations and credits if a couple files jointly or separately.

Donor Advised Funds:

- See manual for how to treat donations from donor advised funds.

*****As in previous years, charitable organizations and foundations are ineligible for NAP credits!*****

ELIGIBLE DONATIONS

Eligible Contributions:

- Cash
- Check
- Credit Card
- Stock (after it has been liquidated)
- 401k and IRA distributions
- Contributions designated through United Way (minus United Way's cut)
- In-kind donations - exclusively building materials to be used in the NAP-funded program
- Property donations - must be used for or pertain to the current NAP activity.

Ineligible Contributions:

- Services (sweat equity), supplies, and equipment are not eligible in-kind donations
- Donations from charitable organizations and foundations
- Membership dues or fees

REQUIRED RECORD KEEPING

All	Donor Contribution Forms (program requirement): one copy for the agency, one copy for the donor
Cash or Credit Card Donations	Receipt copies (or letters)
Checks	Copies of the checks
Stock Donations	Copies of stock transaction reports/pages and thank you letters
United Way Designations	Copies of donor designation, documentation of receipt of donation, and/or employer paystubs from the donors
In-Kind Donations	Receipts showing the building material value, and receipts or thank you letters detailing the donation
Property Donations	Copy of the deed, current appraisal, and receipt

*****Records should be kept for at least five years after award expires.*****

QUESTIONS SO FAR?

PROGRAM TIMELINE

Activity	Date
Program Year Begins <ul style="list-style-type: none">First day to sell credits/receive eligible donations for 2023-24 Program Year	July 1, 2023
60% Benchmark/First Half Report Due <ul style="list-style-type: none">Report all donor information/donations received between 7/1/2023–12/31/2023	January 16, 2024
100% Benchmark Report Due <ul style="list-style-type: none">Report all donor information/donations received between 1/1/2024–3/31/2024	April 15, 2024
Program Year Ends <ul style="list-style-type: none">Last day to distribute credits if previous benchmarks were missed	June 30, 2024
Close-Out Expenditure Report Due <ul style="list-style-type: none">Submit through SurveyMonkey	September 25, 2024

*****Reporting access closes at 5 PM Eastern on due dates. Users will not have access once database closes. Do not wait until last minute!*****

REPORTING DONOR CONTRIBUTIONS

Each NAP recipient agency will be responsible for reporting donor contributions into IHCDAOnline.

The donor's information from the Donor Contribution Form will be input by the organization into the online system.

IHCDA will submit a statewide report with the donors' information to the Department of Revenue (IDOR) each January, based on the current program year's 60% Benchmark Reports and prior program year's 100% Benchmark Reports.

**This electronic report replaces the donor's obligation to submit forms to IDOR, including the NC-10.*

WHY IS REPORTING IMPORTANT?

- Reporting donations assists the State with keeping track of how many credits have been sold and helps ensure we do not allocate more than allowed.
- It also allows IHCDA to monitor the progress of NAP recipients and tax credit selling benchmarks.
- Most importantly, it provides the documentation for reporting donor credits information IDOR.

*****It is very important that reporting is done correctly, and that all donor information provided is accurate and complete!!*****

REPORTING PROCESS

All NAP award recipients will be required to submit up to **three reports** per NAP award: 60% Benchmark, 100% Benchmark, and Expenditure Close-out Report.

All contributions must be reported at **IHCDAOnline** for the 60% and 100% Benchmark reports. Those reports will ask for the following information:

- Contributor Name
- Contributor Address
- Contributor Tax ID (Social Security or Business Federal Tax ID Number)
- Date of Contribution
- Amount of Contribution

The Close-Out Report is completed through SurveyMonkey.

*****If an agency sells all credits by Dec 31st, they only need to complete the first Benchmark Report (due in January); however, ALL agencies still need to complete the Closeout Report (due in September).*****

60% BENCHMARK / FIRST-HALF REPORT

- Due January 16, 2024.
- Reflects all donations received between July 1 and December 31, 2023.
- Must reflect a sale of **a minimum of 60%** of each organization's total credit allocation.
Note: If this benchmark is not met or the report is submitted (in full) late, **eligibility for next program round may be compromised.*
- Completed electronically via IHCDOnline.

****For instructions on completing this report, please see the “NAP Reporting Instructions” document on the NAP website.****

DEALLOCATION/REALLOCATION

In the past, if an organization did not meet the 60% benchmark by December 31st, and/or submitted its benchmark report late, any unused credits would be deallocated and reallocated to organizations that had sold 100% of their credits.

In practice, only around 30 organizations would face deallocation, while over 100 would be eligible for reallocation, which led to reallocation contracts for less than \$500 in credits.

Given the amount of time this process takes and how few credits are involved, IHEDA may NOT do this if the total credits available for reallocation is below a certain amount.

Agencies eligible for deallocation may still lose eligibility in the next program round, but they may have the opportunity to sell the remainder of their credits in the current program year.

100% BENCHMARK / SECOND-HALF REPORT

- Due April 15, 2024.
- Reflects all donations received between January 1 and March 31, 2024.
- Must **reflect the sale of 100%** of each organization's total credit allocation.
**Organizations who are unable to sell 100% of their allocated tax credits, or who submit their report (in full) late may not be eligible for the following NAP round. They can sell their remaining credits until June 30, 2024.*
- Organizations that **sold 100% of their credits by December** and reported them in January **do not** need to complete this report.
- Completed electronically via IHCDOnline.

****For instructions on completing this report, please see the "NAP Reporting Instructions" document on the NAP website.****

EXPENDITURE CLOSEOUT REPORT

- Due September 23, 2024.
- Details how the funds raised were used based on the application submitted.
- Describes the impact that funds had on local program, clients, or community.
- Completed through Jotform in previous years but **will be done through SurveyMonkey for the 2023-24 program year**. Link will be emailed and posted to NAP website later in the year.
- Late report submission will result in loss of eligibility for the 2025-26 program round. Failure to submit report will result in loss of eligibility for the next three program rounds.



2021-2022 Neighborhood Assistance Program (NAP) Closeout Report

This report is due September 26th, 2022. All agencies that received an allocation of NAP credits in 2021 are required to submit a report EXCEPT those that did not distribute any of their awarded credits. Late submissions will lead to ineligibility for full awards of 2023 NAP credits. Failure to submit any closeout report will lead to ineligibility for 2023, 2024 and 2025 NAP credits. If two closeout reports are submitted, IHCDA will use the second/most recent submission. If your agency has not yet spent all of the NAP funds it raised, please wait to submit this report until September 26th, 2022, or until those funds are spent, whichever comes first.

Organization Information

Agreement Number *	<input type="text" value="2021-NP-XXX"/>
Organization Name *	<input type="text"/>
CEO/Executive Director Name *	<input type="text"/>
CEO/Executive Director Email Address *	<input type="text"/>



CLAIMING TAX CREDITS

NAP tax credits are only available for donors to claim on their Indiana State Tax Returns.

Donors claim NAP tax credits by reporting the credits on **Schedule 6 of their Indiana Tax Return using code 828.**

**Donors do not need to provide any specific documents from IHCDA or the donation recipient agency. In the past, donors were provided with an NC-10 form, which they submitted with their taxes in order to claim their NAP credits. This form has now been replaced by the electronic donor report IHCDA submits to IDOR each January, which is compiled from donor the donor information reported to IHCDA by NAP agencies.*

NAP credits are used to reduce a donor's tax liability. For the entire tax credit amount to be applied to the donor's taxes, their tax liability must be greater than or equal to the credits claimed.

A donor cannot claim more than \$25,000 in credits total, even if donations were made across multiple dates and/or agencies.

NAP credits must be claimed for the tax year in which the donation was made. **This is not always the same as the NAP program year!**

**For example, a donation made on December 31, 2023, may only be claimed on the donor's 2023 Indiana taxes, but a donation made on January 1, 2024, may only be claimed on the donor's 2024 taxes, despite both donations occurring during the 2023-24 NAP program round.*

DONOR ISSUES/CREDIT DENIAL

If your donor's tax credits are denied by the Indiana Department of Revenue, the donor will most likely notify you. The following steps should be taken:

- Verify that the contribution was made.
- Verify that the contribution was reported.
- Verify that the information reported was accurate.
- Verify that the donor isn't trying to claim more credits (total) than allowed.

If the credit was not reported or reported incorrectly, then the organization will need to:

- Email IHCDCA to have their report re-opened.
- Enter the information into the report.
- Let IHCDCA know additional credits were entered. IHCDCA will then submit the additional info to IDOR.

If the credits were reported properly, then IHCDCA will review the report and work with IDOR to address the reporting issue and make adjustments as necessary.

CONTACTING IHCD

If you have a **program question**, first review your contract, the manual and the documents provided on IHCD's website: <https://www.in.gov/ihcda/program-partners/neighborhood-assistance-program-nap/>.

If you can't find your answer in those resources, or if you find conflicting information, please email us at nap@ihcda.in.gov.

- Include your organization, your contract number, and the name of the report if it's a reporting-related question

If you need assistance or question about using IHCDOnline, please email our claims department at claims@ihcda.in.gov.

NEXT STEPS

- Register on IHCDAOnline if you and/or your organization has not done so already.
- Follow the instructions on the NAP Reporting Document.
- Do this before your 60% Benchmark Report is due and contact Claims if you have issues.
- Doing this now allows you to work through issues when you have time, rather than flooding Claims' phone and email inboxes right before the 60% Benchmark is due. **Asking for help the day a report is due and not receiving an answer in time to submit is NOT an approved excuse for submitting a late report.**

FINAL QUESTIONS?

Thank you for participating!

If you have any unanswered questions, please contact us:

Program Questions: NAP@ihcda.in.gov

Claims Questions: Claims@ihcda.in.gov