

NEIGHBORHOOD ASSISTANCE PROGRAM 2022 POST-AWARD WEBINAR

August 17, 2022
1pm Eastern

Desirea Island
IDA & NAP Program Manager

Congratulations on receiving 2022-23 Neighborhood Assistance Program Tax Credits!

AGENDA

1. Intro to IHCD
2. IHCD online system (Lisa Ditchley)
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 IHCD
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.

IHCDA online



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>

NAP SUMMARY

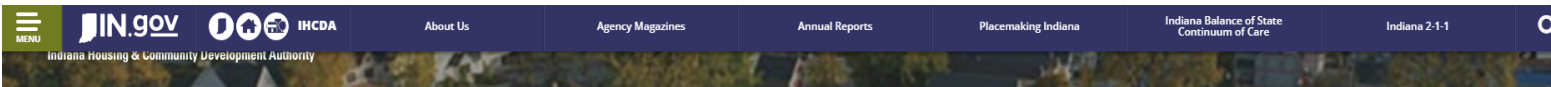
The Neighborhood Assistance Program is a program in the State of Indiana that provides \$2.5 million tax credits annually to non-profit organizations for distribution as a fundraising and capacity building tool.

NAP credits are worth 50% of the value of a contribution and are deducted from a donor's **state** tax liability.

Donations are reported to IHCD, which prepares and sends donor report to the Indiana Department of Revenue (IDOR), which applies the credit to the donor's state tax liability.

NAP is created by Indiana Code 6-3.1-9.

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



[IHCDIA](#) » [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 \$40,000.00. 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) 232-2992, or via email at NAP@ihcda.in.gov to learn about IHCDIA'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.

2022-2023 NEIGHBORHOOD ASSISTANCE PROGRAM

IHCDA is hosting a Post-Award webinar for the new 2022 NAP Organizations Wednesday August 17th from 1:00pm-2:30pm Eastern. This will be recorded and later posted to this website. No registration required. Click [here](#) to join the webinar.

[2022 NAP Approved Organizations - Final](#)

[2022 NAP Program Manual](#)

[2022 NAP Reporting Instructions](#)

[2022 NAP Application Webinar Video](#)

[2022 NAP Application Webinar Slides](#)

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 applicants NAP award. Elements such as the total available credits and the requested credit amount by approved applicants are taken into account.

This means that the amount of credits you receive is based on the total amount that has been requested and your agency's individual request, rather than IHCDA's discretion

(Total Available Credits (\$2.5 million in 2016))	=	Allocation Percentage	X	Applicant Requested Credits	=	Award Amount
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NAP AGREEMENT

- All 251 approved and participating agencies should have e-signed their NAP agreement and received a final copy when IHCD signed it.
- Award Number –2022-NP-XXX
- Will use for reports and when contacting IHCD with questions
- Credit Limit = awarded credits
- Reporting Deadlines
- Consequences for missed deadlines

Home Tools 2022 Neighborhood... x

1 / 10 100%

NEIGHBORHOOD ASSISTANCE PROGRAM
No Federal Funds
AGREEMENT NO. «Award Number»

Agreement must be signed and returned to IHCD by July 1, 2022. Failure to sign and return by July 1, 2022 will result in a loss of tax credits.

THIS NEIGHBORHOOD ASSISTANCE PROGRAM AGREEMENT (this “Agreement”) is made and entered into by and between the Indiana Housing and Community Development Authority (the “IHCD” or “Authority”), a public body corporate and politic of the State of Indiana (the “State”), and «Organization» an Indiana not-for-profit corporation (the “Recipient”).

WITNESSETH:

WHEREAS, the Authority has been designated to allocate and administer tax credits under the Neighborhood Assistance Program (“NAP”) created under Indiana Code IC 6-3.1-9, as amended (“the Code”); and,

WHEREAS, the Recipient has applied to the Authority for NAP credits and the Authority desires to make available NAP credits to the Recipient for eligible purposes under the Code.

NOW, THEREFORE, in consideration of the following mutual promises, the covenants, and conditions herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated herein as though set forth in their entirety.
2. Credit Limit. The Authority awards the Recipient the amount of tax credits set forth in Exhibit A, which is attached hereto and fully

NAP AWARD VS. FUNDS RAISED

The credits you have to distribute are referred to as your “award,” which is listed under the “Credit Limit” section of Exhibit A of your agreement

The funds you raise (if you sell all your credits) should be 2x the amount of credits you are awarded

Examples

- If you were given \$11,100, when you sell all your credits, you’ll raise \$22,200.
- If a donor gives you \$200 as a contribution, they should receive \$100 in credits
- If you want to distribute \$1,500 in credits to a donor, they need to contribute \$3,000

CONTRIBUTION POLICY

Since July 1, agencies were able to accept contributions. Agencies should have a fully executed Grant Agreement returned by IHCD (adobe sign).

Credits for donations can only be claimed in the calendar year that the donation was made in.

- This means that for your 2022-2023 credits, if a person donates in 2022, they will claim the credit on their 2022 taxes.

ELIGIBLE DONORS (Section 701)

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

Like last year, no charitable organizations or foundations!

ELIGIBLE DONATIONS

Eligible Contributions:

- Cash
- Check
- Credit Card
- Stock (which has been liquidated)
- 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

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.

Donations need to be at least \$100, for a \$100 credit, UNLESS an agency has less than \$50 left in credits

WHEN DONATION > AVAILABLE CREDITS

Sometimes, a donor will want to contribute more than you're able to honor with credits. Accept the full donation! But reflect the amount the donor will actually receive in the Donor Contribution Form: **(Keep a copy and give donor copy)**

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

WHEN DONATION > AVAILABLE CREDITS

Examples:

- NAP Agency A has \$5,000 left in credits, Donor contributes \$10,000 = Donor receives agency's remaining \$5,000 credits
- NAP Agency B has \$5,000 left in credits, Donor contributes \$12,000 = Donor receives agency's remaining \$5,000 credits

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

Donor Acknowledgement Form = optional disclaimer

Records should be kept for at least five years after your contract ends



Questions so
far??

2022-2023 Program Timeline

ACTIVITY	DATE
Program Year begins (Start Selling Credits)	July 1, 2022
60% Benchmark Report Due (captures donations 7/1/22-7/31-22)	January 17, 2023 online@ihcda.in.gov
100% Benchmark Report Due (captures donations 1/1/23-3/31/23)	April 17, 2023 online@ihcda.in.gov
Last day to distribute credits if previous benchmarks were missed	June 30, 2023
Close-Out Expenditure Report Due	September 25, 2023 Jotform

Note: Reporting access closes at 5pm 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 IHCDOnline

The donor's information from the Contribution Form will be input 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 60% Benchmark Report and last round's 100% Benchmark Report.

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

WHY IS REPORTING IMPORTANT?

It assists the state with keeping track of how many credits have been sold and helps ensure we don't allocate more than allowed.

It 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's very important that reporting is done correctly!!

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 either 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 Tax ID Number)
- Date of Contribution
- Amount of Contribution

The Close-Out Report on how funds are spent will be completed on Jotform.com

Note: If all funds are sold by Dec 31st, agencies only need to do 1 benchmark report (due January)- Still need to do Closeout-Report

60% BENCHMARK / FIRST-HALF REPORT

Reflects all donations received between July 1 and December 31, 2022.

This report must reflect a sale of a **minimum of 60%** of each organization's total credit allocation.

- If this benchmark is not met or the report is submitted (in full) late, **eligibility for next program round may be compromised**

This report is electronic and is submitted via Online.IHCDA.in.gov.

*****Please see the “NAP Reporting Instructions” document on the NAP webpage: <https://www.in.gov/ihcda/4109.htm>**

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, IHCD may NOT do this if the total credits available for reallocation is below a certain amount.

Agencies eligible for deallocation will 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

Reflects all donations received between January 1 and March 31, 2023.

The second report of the NAP cycle is due on April 17, 2023.

This report 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 will not be eligible for the following NAP round. They can sell their remaining credits until June 30, 2023.

Organizations that sold 100% of their credits by December and reported them in January do not need to complete this report.

*****Please see the “NAP Reporting Instructions” document on the NAP webpage: <https://www.in.gov/ihcda/4109.htm>**

EXPENDITURE CLOSEOUT REPORT

- This report details how the funds raised were used based on the application submitted.
- It will describe the impact that funds had on a local program, clients, or community.
- **The final 2022-2023 Close-Out Report is due on September 27, 2023.**
- This report is done on Jotform.com; the link will be emailed out later in the year.
- Late reports will result in loss of eligibility for the 2024-2025 program round; no
- report will result in the loss of eligibility for the next three program rounds.

https://www.jotform.com/210414999458164



Indiana Housing & Community Development Authority

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-XXXX"/>
Organization Name *	<input type="text"/>
CEO/Executive Director Name *	<input type="text"/>
CEO/Executive Director Email Address *	<input type="text"/>
Is the CEO/Executive Director the NAP Primary Contact? *	<input type="radio"/> Yes <input type="radio"/> No

CLAIMING THE NAP CREDITS

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

1. Email IHCDCA to have their report re-opened
2. Enter the information into the report
3. Let IHCDCA that 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 about the reporting and adjustments as necessary

Agencies should not send donors to IDOR without prior review of the information by IHCDCA.

CONTACTING IHCDA

If you have a **program question**, first review your contract, the manual and the documents provided on IHCDAs website: <https://www.in.gov/ihcda/4109.htm>

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 exact report if it's a reporting-related question

If you have a question about using IHCDOnline, please email our claims department at claims@ihcda.in.gov.

NEXT STEPS

- Register on IHCDOnline if you and/or your organization hasn't 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
- Do this now and 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 allowable excuse for a late report**



Last Questions

Thank you for participating in this webinar.

If you have any unanswered questions, please
contact us at

NAP@ihcda.in.gov

**A digital copy of this webinar will be available shortly on the IHCDa website at
www.IHCDA.in.gov.*