

VIRGINIA DEPARTMENT OF SOCIAL SERVICES (VDSS)  
NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)  
SAMPLE APPLICATION INSTRUCTIONS  
JULY 1, 2021 – JUNE 30, 2022

Thank you for your interest in the Neighborhood Assistance Program.

The Neighborhood Assistance Act Tax Credit program (NAP) is administered by the Virginia Department of Social Services (VDSS) and the Department of Education (DOE). VDSS has \$8 million available to allocate to organizations offering general human service programs. DOE has \$9 million available to allocate to organizations offering education programs. **An organization may only submit one application for NAP tax credits depending on the primary types of programs offered.**

NAP eligible 501(c) (3) or 501(c) (4) non-profit organizations receive an allocation of tax credits from VDSS or DOE on a basis of proven operational success and their capacity to serve a low-income person or an eligible student with a disability. "Low-income person" means an individual whose family's annual household income is not in excess of 300 percent of the current federal poverty guidelines.

Contact DOE at [tax.credits@doe.virginia.gov](mailto:tax.credits@doe.virginia.gov) for more information relating to the application process for an organization offering education programs.

**Definitions for Education:**

*"Education" means any type of scholastic instruction or scholastic assistance to a low-income person or an eligible student with a disability.*

*"Scholastic assistance" means (i) counseling or supportive services to elementary school, middle school, secondary school, or postsecondary school students or their parents in developing a postsecondary academic or vocational education plan, including college-financing options for such students or their parents, or (ii) scholarships.*

*"Eligible student with a disability" is a student (i) for whom an individualized educational program has been written and finalized in accordance with the federal Individuals with Disabilities Education Act (IDEA), regulations promulgated pursuant to IDEA, and regulations of the Board of Education and (ii) whose family's annual household income is not in excess of 400 percent of the current poverty guidelines.*

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**The completed application package must be submitted online on or before May 3, 2021 by 5:000 p.m. Incomplete applications or applications received after the due date will not be considered.**

**NAP ELIGIBILITY CRITERIA:**

**§ 58.1-439.20 of the Code of Virginia**

*In order for a proposal to be approved, the applicant organization and any of its affiliates shall meet the requirements of the application regulations or guidelines. This rule does not apply if the applicant organization received an allocation of NAP tax credits in fiscal year 2013 – 2014.*

**Definition:**

*"Affiliate" means with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with such person. For purposes of this definition, "control" (including controlled by and under common control with) shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies of such person whether through ownership or voting securities or by contract or otherwise*

**• In order to qualify for NAP, the applicant organization and any of its affiliated entities must meet the following criteria:**

- ✓ Be exempt from income taxation under the provisions of §§ 501(c) (3) and 501(c) (4) IRS code of 1986.
- ✓ Must have been in operation providing neighborhood assistance to low-income persons for at least 12 months.
- ✓ Must demonstrate that at least 75 percent of total revenue received is expended to support their ongoing programs each year.
- ✓ Must demonstrate that at least 50 percent of the persons served are low-income.
- ✓ Must demonstrate that at least 50 percent of the total revenues are used to provide services to low-income persons.
- ✓ The audit, review or compilation must not contain any significant findings or areas of concern for the ongoing operation of the neighborhood organization.

**ALLOCATION OF TAX CREDITS:**

**VDSS uses the following methodology to allocate the \$8 million in tax credits:**

- Approved organizations that received a tax credit allocation within the last four years will be given an allocation based on the average amount of tax credits actually used in prior years, a minimum of \$4,800 or the amount requested, whichever is less.
- Any tax credits remaining from the \$8 million will be divided among all new organizations meeting the eligibility criteria.
- The allocation process may include a determination of the reasonableness of requests, caps, and percentage reductions in order to stay within the total available funding.
- In any year in which the available amount of tax credits exceeds the previous year's available amount, at least 10% of the excess amount shall be allocated to approved organizations that did not receive any allocations in the preceding year.
  - ✓ VDSS did not receive an increase in tax credits FY 2021 - 2022.

**COMPLETING THE ORGANIZATION PROFILE AND APPLICATION:**

- Part I and Part II must be completed via the VDSS online NAP database. Complete Part I through the "Manage Profile" screen. Complete Part II through the "NPO application" screen. **Note: A copy of the application cannot be printed from the online database.**

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• **To request NAP Database access:**

- ✓ Send an email to [nap@dss.virginia.gov](mailto:nap@dss.virginia.gov) if you have forgotten your NAP database user ID. Do not create a new user ID.
- ✓ New User - Send an email to [napp@dss.virginia.gov](mailto:napp@dss.virginia.gov) to request a user ID. A new applicant organization, one that is not approved with VDSS NAP for FY 2020 – 2021, must also include the following information in their request:
  - Federal ID Number;
  - Name of the organization as listed on the 501(c) (3) (4) document;
  - Date the organization received their 501(c) (3) (4) designation;
  - Mailing Address;
  - Phone Number;
  - Fax Number;
  - City/County of Main Office;
  - Web Address;
  - Name, Title, Phone Number and Email Address of the Executive Director or CEO;
  - A detailed description of the organization’s programs and explain how the organization is meeting the requirement of primarily providing assistance to low-income people in Virginia;
  - List the organization’s mission from the mission statement;
  - Attach a copy of the organization’s 501(c) (3) (4) document;
  - Attach a copy of the name change form if the name of the organization has changed and does not match the 501(c) (3) (4) document.
- The user access request will be reviewed by NAP staff within three business days, once approved, an email will be sent with the instructions for submitting the application into the VDSS NAP database. Contact the NAP office at (804) 726-7924 if you do not receive an email within three business days.

**PART I – NPO PROFILE:**

- Complete questions 1 through 10.
  - ✓ For Line 10, if the Contact Person is also the CEO or Executive Director listed on Line 9, leave blank.
- Describe the organization’s programs. The requested information must include all the programs within the organization and reflects the total operation of the organization, not just one or more programs conducted by the organization. Use the Federal Poverty Guidelines chart to determine the income levels of people served. Limit the program description to 2000 characters and limit the mission statement to 1000 characters. Use additional pages as needed. Upload the additional pages in a PDF format in the “Attachments” section of the organization’s online profile.
  - ✓ Describe the organization’s programs. Explain how the organization is meeting the requirement of primarily providing assistance for low-income people in Virginia. Use additional pages as needed.
  - ✓ List the mission statement for the organization and date adopted by Board. Does the mission statement reflect the purpose of the organization? If this is different from the description shown in the audit, review or compilation, please explain.

**PART II – NPO APPLICATION – GENERAL INFORMATION:**

- Enter the total amount of anticipated NAP eligible donations the organization expects to receive beginning July 1, 2021 to June 30, 2022 to support low-income people.
  - ✓ An individual donation of at least \$500, but no more than \$125,000 in a taxable year or a business, including a trust, donation of at least \$616 in a taxable year may qualify as NAP eligible. NAP tax credits may be available to an individual for monetary or marketable securities donations. NAP tax credits may be available to a business for monetary, stock, merchandise, real estate, rent lease of an organization’s facility, professional services, contracting services, physician specialist services, pharmaceutical services, mediation services or healthcare services donations.

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**PART II – NPO APPLICATION – GENERAL INFORMATION (CONTINUED):**

- Provide a statement of objectives for ALL of the organization’s low-income programs and list the measurable outcomes that are expected to occur during the FY2021 - 2022 program period. Discuss the method that will be used to evaluate the program’s effectiveness. Limit the description to 2000 characters each. Use additional pages as needed. Upload the additional pages in a PDF format in the “Attachments” section of the NPO application.
  - ✓ **NOTE: An evaluation report showing the outcomes will be required by July 31<sup>st</sup> each year for organizations receiving an allocation of NAP tax credits. Email the report to [nap@dss.virginia.gov](mailto:nap@dss.virginia.gov).** The report must include: Goals listed in the 2021-2022 application; accomplishments; the number of people served at or below 200% of the Federal Poverty Guidelines (FPG), the number of people served at or below 300% of the FPG; and the number of people served not reported at the 200% or 300% FPG levels.
- Types of Services Offered. Select all that apply. A Food Bank is one that provides food to other non-profit organizations to deliver to low-income clients. Select “other” if the organization provides food directly to low-income clients.
- Does this organization operate an on-site health care clinic? If yes, describe the type and frequency of services.
- Did this organization merge with another VDSS NAP organization within the previous four years? If yes, enter the Federal Tax ID number and list the name of the other organization.
- Does this organization have any affiliated entities indicated in the audit, review or compilation report? If yes, list the name of each affiliated entity. Also, complete the affiliated entity information pages. Email the completed affiliated entity information pages and a copy of the Federal Form 990 to [nap@dss.virginia.gov](mailto:nap@dss.virginia.gov) on or before May 3, 2021 by 5:00 p.m. Email a copy of the audit, review or compilation for the most recent year ended on or before June 2, 2021 by 5:00 p.m.

**NPO APPLICATION – LOCALITIES SERVED:**

- Check all localities in which the organization will actively provide a service.

**NPO APPLICATION – CERTIFICATION OF INCOME LEVELS SERVED:**

- Food banks must complete the Certificate of Income Level Served form specific for a food bank.
- The requested information must include all the programs within the organization, or each affiliated entity, and reflect the total operation of the organization, not just one or more programs conducted by the organization. If an individual received more than one type of service, only count the person once – this an unduplicated count.
- Use the **Federal Poverty Guidelines** chart to determine the income levels of people served. All fields are limited to 1000 characters. Use additional pages as needed. Upload the additional pages in a PDF format in the “Attachments” section of the online application.
  - ✓ Describe the data, resources, procedures and methodology used to determine the income levels of the total persons served. Be specific about what data is used to determine if the person served has a household income that is not in excess of 300 percent of the federal poverty guidelines, and how this data is acquired.
  - ✓ Describe how often the family’s annual household income information is updated.
  - ✓ If the population the organization serves has changed and does not mirror the information provided on Attachment A, please explain. (If not applicable, put N/A).
- Complete the table using data from the **most recent year ended** audit, review or compilation for the dates listed below in the example. Complete the chart using the numbers from most recent year ended Federal Form 990, for the dates listed below in the example, if the audit, review or compilation has not been completed. (**Example of most recent year ended for the audit, review or compilation or the Federal Form 990: 1/1/20 – 12/31/20, 7/1/19 – 6/30/20, 10/1/19 – 9/30/20, 5/1/19 – 4/30/20 or other current dates**). Use unaudited numbers if the audit, review or compilation or Federal Form 990 has not been finalized. **DO NOT USE THE DATES FROM A PREVIOUS AUDIT, REVIEW OR COMPILATION OR FEDERAL FORM 990.**

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**NPO APPLICATION – CERTIFICATION OF INCOME LEVELS SERVED (CONTINUED):**

- Total family’s annual household income includes wages/salaries, social security income, pensions, dividend/interest income, SSI, etc. All references to poverty/income levels refer to the federal poverty guidelines as shown in the instructions.
  - For *new applicants*, the time periods that may be used for determining the number of low-income persons served by your organization include (i) the most recent calendar year ended, (2020), (ii) completed program year, (2019-2020), or (iii) the organization’s most recent fiscal year ended as indicated above.
  - For *returning applicants*, the time period for determining the number of low-income persons served by the organization must be the same period used for last year’s application.
- ✓ *Note: The time period for determining the number of low-income persons served cannot be for any period after the submission date of this application.)*

**2020 FEDERAL POVERTY GUIDELINES (FPG)**

Household Size	100%	200%	300%
1	\$ 12,760	\$ 25,520	\$ 38,280
2	\$ 17,240	\$ 34,480	\$ 51,720
3	\$ 21,720	\$ 43,440	\$ 65,160
4	\$ 26,200	\$ 52,400	\$ 78,600
5	\$ 30,680	\$ 61,360	\$ 92,040
6	\$ 35,160	\$ 70,320	\$ 105,480
7	\$ 39,640	\$ 79,280	\$ 118,920
8	\$ 44,120	\$ 88,240	\$ 132,360
For families/households with more than 8 persons, add \$4,320 for each additional person.			

**2021 FEDERAL POVERTY GUIDELINES (FPG)**

Household Size	100%	200%	300%
1	\$ 12,880	\$ 25,760	\$ 38,640
2	\$ 17,420	\$ 34,840	\$ 52,260
3	\$ 21,960	\$ 43,920	\$ 65,880
4	\$ 26,500	\$ 53,000	\$ 79,500
5	\$ 31,040	\$ 62,080	\$ 93,120
6	\$ 35,580	\$ 71,160	\$ 106,740
7	\$ 40,120	\$ 80,240	\$ 120,360
8	\$ 44,600	\$ 89,200	\$ 133,800
For families/households with more than 8 persons, add \$4,540 for each additional person.			

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**ATTACHMENTS - THE ONLINE SUBMISSION MUST INCLUDE THE FOLLOWING:**

- A copy of the organization’s 501(c) (3) (4) status documentation. The documentation is submitted via the “Manage Profile” page in the NAP database.
- A copy of the organization’s most recent year ended federal form 990.
- A copy of the current registration approval letter, extension letter or letter of exemption filed with the Department of Agriculture and Consumer Services, Division of Consumer Affairs (VDACS), or copy of the documentation produced from the VDACS charitable organization database located at [http://cos.va-vdacs.com/cgi-bin/char\\_search.cgi](http://cos.va-vdacs.com/cgi-bin/char_search.cgi). In the event that the organization has not received the registration approval letter or extension letter, and the registration on the VDACS charitable organization database has not been updated, provide a copy of the completed VDACS annual renewal application and a copy of the cancelled check.
- A copy of the organization’s brochure, pamphlet or flyer detailing their programs.
- Foodbank – Submit a list of the agencies receiving food from the organization during the past year.
- Attachment F & G - Adjustments to Revenue and Expenditures is required if the organization **does not** demonstrate that at least 75 percent of total revenue received is expended to support their ongoing programs each year. **The attachments must be completed by an outside independent CPA, if required.** Send an email to [NAP@dss.virginia.gov](mailto:NAP@dss.virginia.gov) to request Attachment F & G if the organization needs to complete the documents.
- A copy of the organization’s most recent year ended audit, review or compilation **prepared by an outside independent CPA.** The audit, review or compilation should be for one of the following dates 1/1/20 – 12/31/20, 7/1/19 – 6/30/20, 10/1/19 – 9/30/20, 5/1/19 – 4/30/20 or other current dates and must be submitted to VDSS by 5:00 pm on June 2, 2021. The information will be accepted by email if the application deadline has passed.
  - ✓ An audit or review is required if the organization’s revenue (including the value of all donations) is in excess of 100,000.
  - ✓ A compilation (detailed financial statements) is required if the organization’s revenue is \$100,000 or less.

**EMAIL THE AFFILIATE DOCUMENTS TO [nap@dss.virginia.gov](mailto:nap@dss.virginia.gov) BY THE APPLICATION DEADLINE, IF REQUIRED.**

- Affiliated Entity information pages
- Attachments F & G – Adjustments to Revenue and Expenses, if required
- A copy of the affiliates’ most recent year ended federal form 990
- A copy of the affiliates’ most recent year ended audit, review or compilation, **prepared by an outside independent CPA.** The audit, review or compilation should be for one of the following dates 1/1/20 – 12/31/20, 7/1/19 – 6/30/20, 10/1/19 – 9/30/20, 5/1/19 – 4/30/20 or other current dates and must be submitted to VDSS by 5:00 pm on June 2, 2021. The information will be accepted by email if the application deadline has passed.