

**Virginia Department of Social Services (VDSS)
Neighborhood Assistance Program (NAP)
Eligibility Requirements**

Eligibility Requirements:

- **§ 58.1-439.20 of the Code of Virginia** *“In order for a proposal to be approved, the applicant neighborhood organization and any of its affiliates shall meet the requirements of the application regulations or guidelines.”*
 - ✓ *“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.*
- 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 for low-income persons for at least 12 months.
 - ✓ *A “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.*
- Demonstrate at least 75 percent of total revenue received is expended to support their ongoing programs each year.
- Demonstrate at least 50 percent of the people served are low-income.
- Demonstrate at least 50 percent of the total revenue is used to provide services 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.

VDSS uses the following methodology to allocate tax credits.

- 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.
- Any tax credits remaining from the \$8 million will be divided equally 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.

Application Process:

- The application will be available to enter online beginning March 15 for the program period that will begin July 1st.
- The application with required attachments must be received no later than the first business day of May each year.
- An evaluation report listing the **program outcomes** will be required at the end of each fiscal year for an organization receiving an allocation of NAP tax credits.

A completed online NAP application including the additional attachments must be received by the first business day of May each year, with the exception of the audit, review or compilation. The Code of Virginia allows an organization to submit the audit, review or compilation within the 30-day period immediately following the application deadline. The audit, review or compilation will be accepted by email after the deadline to submit the online application has passed.

NAP Online Application:

- Profile
- Description, Mission Statement
- Program’s Goals & Objectives
- Localities Served
- Certification of Income Levels Served

NAP Application Attachments:

- A copy of the organization’s 501(c) (3) (4) status documentation
- A copy of the most recent year ended audit, review or compilation **prepared by an outside independent CPA**
 - ✓ **§ 58.1-439.20.B.2 of the Code of Virginia** states:
As a prerequisite for approval, neighborhood organizations with total revenues of (i) more than \$100,000 shall provide to the Commissioner of Social Services an audit or review for the most recent year or (ii) \$100,000 or less shall provide to the Commissioner of Social Services a compilation for the most recent year. Such audit, review, or compilation shall be performed by an independent certified public accountant. For purposes of this subdivision, “total revenues” means all revenues, including the value of all donations, for the organization’s most recent year.
- A copy of the organization’s most recent year ended federal form 990
- A copy of the annual renewal form (Virginia Registration Statement for a Charitable Organization) filed with the Department of Agriculture and Consumer Services, Division of Consumer Affairs (VDACS) or a copy of your letter of exemption
- A copy of the organization’s brochure, pamphlet or flyer detailing their programs
- Attachment F & G – Adjustment to Audited Numbers, if applicable
 - ✓ *Attachment F & G - Adjustments to Revenue and Expenditures is not required if the organization demonstrates that at least 75 percent of total revenue received is expended to support their ongoing programs each year*

Required Affiliate Attachment Documents

Affiliate documents will be required if the applicant organization’s audit’ review or compilation lists an affiliate. Send all affiliate documents by email to nap@dss.virginia.gov

- Profile Page
- Description, Mission Statement
- Attachment F & G - Adjustment to Audited Numbers, if applicable
- A copy of the affiliate’s most recent year ended audit, review or compilation
- A copy of the affiliate’s federal form 990

Send an email to NAP staff at nap@dss.virginia.gov if you have any questions.