

NeighborWorks America

**Application for Affiliation to the NeighborWorks Network
2023**

Instructions Document

Table of Contents

Application Dates	3
How to Use This Guide	3
Self Assessment	3
Application	3
NeighborWorks America	3
Affiliation Priorities	4
Contact Information	4
NeighborWorks Network	6
Webinar Schedule	6
Affiliation Anticipated Timeline and Process	6
Application Stage	7
Grants Portal Registration	8
Affiliations Application Part 1: Threshold Documentation	8
Affiliations Application Part 2: Application Questions	11
Organizational Information	11
Organizational Management	11
Board Governance	12
Service Area	12
Resource Development	12
Financial Management	12
Program Services	12
Lines of Business	13
Community Building and Engagement	13
Homeownership Promotion and Preservation	13
Lending, Portfolio Management and CDFIs	14
Real Estate / Asset Management	14
Property Management	14
Review Stage	14
Assessment Stage	15
Charter Stage	16
Charter Requirements	16
Common Issues Causing Delays/Terminations	18
Appendices	19

Application Dates

The application for affiliation to the NeighborWorks Network will be open for submission in NeighborWorks' Grants Portal from **April 17, 2023, at 9am EDT** and will close on **June 9, 2023, at 8pm EDT**. Late applications will not be accepted.

How to Use This Guide

The Affiliation Application Instructions should be used as a complement to the review and/or submission of the affiliation application. The applicant is expected to use the instructions documents, all appendices, and the application questions in conjunction with one another to complete Application Part 1, required threshold documents, and Application Part 2, response questions to the application.

The Self-Assessment

All applicants are encouraged to take the self-assessment before beginning the application; the self-assessment is intended to familiarize the potential applicant with the requirements and expectations of NeighborWorks chartered membership so applicant can ascertain alignment prior to participation in the application process. Applicant should also review the application/application instructions and appendices *in their entirety and prior to* registering in Grants Portal, submitting the threshold documents (Application Part 1) or written application information (Application Part 2).

The Application

The NeighborWorks Affiliation Application consists of two parts. Application Part 1 requires the submission of information and documentation considered minimum NeighborWorks Network threshold requirements. Upon applicant submission of Application Part 1, NeighborWorks will conduct a review of the submission to be sure minimum thresholds are met before moving the applicant on to Application Part 2. If Application Part 1 threshold requests are met, the applicant is eligible to complete Application Part 2. Application Part 2 consists of questions requiring written responses as well as various required and optional document uploads. Further details about these two parts and timeline are below.

The application will be submitted to NeighborWorks through our grants management system called Grants Portal. Registration is required prior to entering the system to complete Part 1 of the application. Please see registration and Grants Portal instructions below (page 6).

NeighborWorks America

For 40 years, Neighborhood Reinvestment Corporation, a national, nonpartisan nonprofit known as NeighborWorks America, has strived to make every community a place of opportunity. Our network of excellence includes nearly 250 members in every state, the District of Columbia and Puerto Rico. NeighborWorks America offers grant funding, peer exchange, technical assistance, evaluation tools and access to training, as the nation's leading trainer of housing and community development professionals. NeighborWorks network organizations provide residents in their communities with affordable homes, owned and rented; financial counseling and coaching;

community building through resident engagement; and collaboration in the areas of health, employment and education. In the last five years, our organizations have generated more than \$55 billion in investment across the country.

NeighborWorks America's mission is to create opportunities for people to live in affordable homes, improve their lives and strengthen their communities.

To learn more about NeighborWorks America please see our website at <http://www.neighborworks.org>.

For more information about the impact and geographies of exiting members please see <http://www.neighborworks.org/Our-Impact/NeighborWorks-Impact>.

Affiliation Priorities

NeighborWorks America anticipates affiliating up to five (5) new network members. All qualified applications will be considered, and the application process is expected to be highly competitive. For this round, the top priority will be filling geographic and programmatic service areas gaps. For information about the current network members, please see <https://www.neighborworks.org/Our-Network/Network-Directory>. A full list of priority criteria is provided below:

- align with NeighborWorks strategic plan goals as evidenced by applicant mission and impact with housing being core to the work of the organization;
- have a presence in geographic and programmatic/service gaps within the network with special attention to those organizations serving underserved markets, native or tribal lands, rural areas, and communities of color;
- take a collaborative approach to the work, including partnerships with local organizations, state associations, and national intermediaries;
- have an intentional focus on issues of race, equity, diversity and inclusion in the organization and/or communities served; and
- resident and stakeholder engagement are foundational to the design, implementation and evaluation of work.

The NeighborWorks strategic plan can be found at:

https://www.neighborworks.org/getattachment/About-Us/NeighborWorksAmerica_StrategicPlan_FY22-FY24.pdf.aspx?lang=en-US

More information on resident and stakeholder engagement can be found at

<http://www.neighborworks.org/Community/Engagement>.

Contact Information

Questions about the affiliation process can be sent to affiliations@nw.org. Emails will be directed to the appropriate regional office. **Emails should include the name of the city and state in which the applicant organization resides, the applicant organization name and the subject in the subject reference line.**

Over the duration of the affiliation process you may hear from regional points of contact from one of the four regional offices across the country.

Western Region

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, Wyoming

Regional Vice President: Lisa Hasegawa

Affiliation Liaison: Steve Barbier (Senior Relationship Manager)

Affiliation Liaison: Jacqueline Espinoza (Regional Operations Coordinator)

Address: 4500 Cherry Creek Drive South Suite 660
Denver, Colorado 80246

Phone: 303-782-0299
Toll-free: 877-316-8881

Midwest Region

Illinois Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin

Regional Vice President: Deletta Dean

Affiliation Liaison: Elizabeth Hollins (Senior Director)

Address: One Main Plaza
4435 Main St., Suite 700
Kansas City, MO 64111

Phone: 816-931-4176
Toll-free: 800-823-1428

Southern Region

Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Washington DC, West Virginia

Regional Vice President: Dr. Christie Cade

Affiliation Liaison: Doug Scott (Senior Relationship Manager)

Address: 260 Peachtree St., Suite 1000
Atlanta, GA 30303

Phone: 404-526-1270

Northeast Region

Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands

Regional Vice President: Joanie Straussman Brandon

Affiliation Liaison: Judith K Rose (Senior Relationship Manager)

Address: 528 8th Avenue, 4th Floor
New York, NY 10018

Phone: 212-269-6553
Toll-free: 877-316-887

NeighborWorks Network

The NeighborWorks Network is a network of excellence made up of nearly 250 non-profit organizations across all 50 US states, Washington, DC and Puerto Rico. The network was born of the ideas and passion of individual residents who believed they could transform their communities. Local voices are critical to the success of the work of these organizations and their communities. The network serves diverse populations in rural, urban and suburban communities. Network organizations are rigorously assessed against various organizational, financial and board governance standards and the network includes some of the very best community development and housing organizations in the country who get results for the communities they serve. The network focuses on collaboration through peer sharing and on-going professional development so each group can improve, and the field as a whole can benefit. Organizations offer diverse approaches to meet the unique needs of their communities and provide a range of strategic services. These include homeownership and financial capability counseling, residential and commercial lending, development of a variety of housing types (for sale, rental, new construction and rehab), post disaster rebuilding, community engagement and resident leadership development, and community-based projects such as community gardens.

For more information about the work of the network, please see <http://www.neighborworks.org/Our-Impact/NeighborWorks-Impact>. For the primary lines of business supported by NeighborWorks see Appendix A.

Webinar Schedule

NeighborWorks will host two webinars to review the application process and application materials. These webinars are *not* required but are helpful to obtain information about the process and about NeighborWorks. Registration is required by clicking on the links below. The material covered will be the same on each webinar and a recording will be posted to the Become a Member page on the NeighborWorks website: <https://www.neighborworks.org/Our-Network/Become-a-Member>.

The presentation will last up to one hour with questions to follow. Please either **join by phone or computer audio, but not both**.

[Webinar One—Potential Applicants](#)
Thursday, April 27th from 3-4 p.m. EDT

[Webinar Two—Potential Applicants](#)
Tuesday, May 2, from 4-5 p.m. EDT

Affiliation Process and Anticipated Timeline

A decision to charter an organization into the NeighborWorks network (also known as affiliation) represents a long-term relationship between NeighborWorks America and the charter organization. There is a commitment to making resources available to the organization over the years of membership, including grants, training, technical assistance, and peer learning opportunities. NeighborWorks America has an essential responsibility for the effective and careful stewardship of federal funds provided to the organization. Since the majority of NeighborWorks America's resources are provided to the chartered members of the network, the charter affiliation process is rigorous and thorough. The affiliation process is designed so that NeighborWorks America and the applicant can get to know one another well and set the foundation for a long-term relationship. At any point in the process, NeighborWorks America, at its sole discretion, may decide to terminate the affiliation application. The applicant may do the same.

The primary participants in the affiliation process include the applicant organization, the NeighborWorks America Organizational Assessment Division (OAD), and the NeighborWorks America Field Operations Division (Field), including regional office and national staff. The stages and anticipated timelines are shown below. Please note all times are approximate and the actual timing will depend on a variety of factors, including but not limited to the applicant organization providing the requested information, as well as the OAD review schedule.

- Application Stage: April 17 – June 9, 2023
 - Part 1: Applicants submit threshold documents including three years of audits and board resolution stating an understanding and commitment to fulfilling the requirements of a charter member. Please submit Part I early in the timeline to allow adequate time to complete Part 2.
 - Part 2: Complete application questions in Grants Portal (available only to applicants who submit the required threshold documents in Part 1)

- Application Review Stage: June – September 2023
 - Field Division will review and make recommendations for onsite review invitations
 - Application review may include a site visit from regional staff

- Assessment Stage: October 2023 – June 2024
 - OAD consolidated audit review and onsite review (invitation only)

- Chartering Stage: July 2024 +
 - Upon completion of the assessment phase and notification of intent to move forward with affiliation and chartering, the Field Operations Division will assign a relationship manager and proceed with compiling the charter package submission, including execution of formal agreements and orientation.

- The entire process may take 15-24 months (about 2 years).

Application Stage

Below are instructions for completing the affiliation application for membership in the NeighborWorks network. The application and instructions should be reviewed together. There are two parts to the application. Part 1 is the threshold document submission (and is required to be submitted and reviewed before Part 2 is available) and Part 2 contains application questions which require written responses.

Grants Portal Registration and Access

Applicants are encouraged to complete the self-assessment posted on the *Become A Member* web page found here: <https://www.neighborworks.org/Our-Network/Become-a-Member> and review all the application requirements, materials and instructions *prior to registration in the Grants Portal or preparation of any part of the application.*

The Grants Portal houses the Affiliations Application, and all applicants will need access to the Portal to submit the application. Gaining access and working on the Affiliations Application in the Grants Portal is a three-part process that first requires NeighborWorks to set up the applicant organizations in the Grants Portal, followed by the registration of the staff users that will complete and submit the application in the Portal.

Step One: Setting up Organization Account in the Grants Portal

Applicants must submit a properly completed W-9 Form via email transmission to grants@nw.org. It is important that the applicant ensures naming and address accuracy in the W-9. Prior grant recipients of NeighborWorks must also submit a W-9 so organizational information can be updated. Key information to be provided in the W-9 Form:

- Legal Name on Line 1, DBA Name (if applicable) on line 2.
- Sections 3 (type of organization), 5 (address), and 6 (city and state).
- Employer Identification Number (Part I).
- The W-9 Form must be signed and dated in 2023.

Step Two: Applicant User Registration within the Grants Portal

Once an organization account has been set up in the Grants Portal, the applicant must complete or update the user registrations within the Grants Portal. Organizations will be provided information on registration after they have submitted the W-9. Please note that there is a limit of two Authorized Officials per organization. An Authorized Official is a staff member within the organization with full rights to initiate, edit, save, delete, and submit grant applications.

Step Three: Starting the Application

Once the applicant logs into the Grants Portal the applicant can start the Affiliation Application by clicking on the ***Apply*** button on the bottom left corner of the main menu. In the next screen you will have the option to start Part 1 of the application. NeighborWorks will review the Part 1 submissions to ascertain if the applicant can proceed to Part 2 of the application. Upon review and approval of

submission requirements, applicants approved to move forward in the affiliation process will receive an automatic email with instructions to start Part 2. Applicants will hear from NeighborWorks on the approval or denial to move on to Application Part 2 of the application not later than five (5) full business days after submission of Part 1.

Application Submittal and Grants Portal

To ensure enough time for completion of the entire application (Part 1 and Part 2), applicants are strongly encouraged to complete Application Part 1 early in the application process and ideally not later than May 15 to allow adequate time to complete Part 2 by the application close date on June 9. Once Application Part 2 has been made available for the applicant review and completion, please make every effort to submit it as early as possible. The deadline to submit Part 2 of the application is June 9, 2023, at 8 pm EDT. **NeighborWorks America will not accept late submissions.**

Applicants can access a variety of Grants Portal training resources, including guides and short videos, in the *Grants Portal Training Resources* section on the left side of the main menu of the Grants Portal.

For registration or technical issues in the Grants Portal, please contact grants@nw.org. Please include “Affiliation Application Question and the name of your organization” in the subject line of the email. All other questions regarding the content of the application and the affiliations process should be sent to affiliations@nw.org.

Affiliations Application Part 1: Threshold Documentation

The first aspect of the application process is to provide the following documentation which will be reviewed by NeighborWorks America staff as minimum threshold requirements.

Documents Requested

The document request is intended to help NeighborWorks begin to verify charter requirement information. Documents to be submitted:

- Certificate of Good standing
- IRS 501(c)(3) Letter
- IRS Form 990
- Summary of organizational mission and work
- Consolidated Audit Package

Certificate of Good Standing/Status/Existence/Fact/Authorization

The certificate of good standing is provided by a state agency (often the Secretary of State) and indicates that the organization is registered to do business in the state and is in compliance with all statutory requirements.

IRS 501c3 Letter

The NeighborWorks charter requires that only 501(c)(3) organizations are members of the NeighborWorks network.

IRS Form 990

The most recent IRS Form 990 is requested to provide NeighborWorks with a fuller understanding of your organization.

Description of Organizational Mission and Work

This description is intended to provide NeighborWorks with an understanding of the work of the organization and how it might align with that of NeighborWorks.

Consolidated Audit

Applicants should submit three years of audit packages if applicant organization formation was from *three or more years ago*. If applicant organization formation was from at least two years, but not more than three years ago, then applicant should submit two years of audit packages.

The audit package includes:

- the most recent consolidated audited financial statements containing an unmodified opinion[^]
- the Single Audit/Uniform Guidance Report with Schedule of Federal Awards (if required) *
- the management letter (if issued; the management letter is also known as an AU-C 265 letter (Communication of Significant Deficiencies and/or Material Weaknesses), and
- the management response and/or corrective action plan (if a management letter was issued or if the audit revealed findings)
 - The management response and/or corrective action must be on the organization's letterhead and signed by the Chief Executive Officer, President or Executive Director.

[^] Please see Appendix B, the Guidance for the Conduct of Audits, to understand further information about the audit package including the consolidated audit.

***Non-profit organizations that expend \$750,000 or more in federal funds** from any source in any given fiscal year are also subject to audit requirements of the Uniform Guidance at 2 CFR 200 and are required to provide the **Single Audit/Uniform Guidance Report** covering the financial audit period. **If your organization did not expend \$750,000 or more in federal funds** in the fiscal year and was not required to file the Single Audit/Uniform Guidance Report, provide a **signed attestation** to this fact on the organization's letterhead and signed by the Chief Executive Officer, President or Executive Director.

Naming Conventions: Please submit all audit package documents using the naming conventions in Appendix C with the respective year at the beginning of each file name.

Commitment to NeighborWorks Charter Requirements

The commitment to NeighborWorks Charter requirements includes an attestation in the affirmative to the following statements to move to the full application. A 'yes' or 'no' answer will be required after each statement.

- A. The mission of the organization aligns with the mission of NeighborWorks America. NeighborWorks America Mission Statement <https://www.neighborworks.org/About-Us>
- B. The board is now, or the board can now or prior to the onsite review, if invited, consist of at least 1/3 residents or resident representatives and include representation from the public and private sectors. The board will also maintain this ratio throughout charter membership.
- C. The organization maintains exemption from federal income tax under section 501(c)(3) of the Internal Revenue code and conducts all activities so as not to jeopardize that status; remains an independent, nonprofit corporation not controlled by any other organization and remains in good standing under applicable laws and regulations of the state where originally chartered.
- D. The organization has established and maintains a financial management system that complies with generally accepted accounting principles, includes adequate internal control systems, and can provide all required years of consolidated financial audits.
- E. The organization, through the board of directors, maintains a conflict of interest policy, including without limitation its directors, officers and staff.
- F. The organization can participate and cooperate fully in regularly scheduled on- and off-site program reviews (including any subsidiaries or related organizations referred to as sub-recipients) conducted by NeighborWorks America or its designee.
- G. The organization can provide reporting of production and/or further organizational information on a quarterly and annual basis as conducted by NeighborWorks America or its designee, can submit reports to NeighborWorks America in the form, detail and timeframes required by NeighborWorks America and can comply with reasonable changes in reporting requirements over time.
- H. The organization will clearly and consistently convey membership in the NeighborWorks network through use of the “NeighborWorks Chartered Member” logo on all stationery, business cards, Web site home page, newsletters-printed or electronic, signage at the organization’s headquarters office, annual report and informational brochures.

Attestation

Additionally, the applicant will be asked to attest to understanding the necessity to use the Affiliation Application Instructions and Appendices in conjunction with the application to fully understand and complete the NeighborWorks Affiliation Application.

Affiliations Application Part 2: Application Questions

The application for affiliation to become a charter member of the NeighborWorks network requires all questions to be completed in full. *Applications with unanswered or incomplete questions, or with any missing required documentation will not be considered.* Applicants should submit responses and/or documents which are *currently and actively used* at the organization.

Outlined below are the application sections along with requested written information and document uploads. Uploads must subscribe to the naming conventions outlined in Appendix C.

Application Sections Include:

- Organizational Information
- Organizational Management
- Board Governance
- Service Area
- Resource Development and Community Support
- Financial Management
- Program Services
- Lines of Business

The Affiliation Application Instructions including appendices, should be used as an important complement when reviewing and/or completing the application and links to various documents therein. The applicant is expected to use the instructions documents, all appendices and the application questions in conjunction with one another to complete Application Part 1, required threshold documents and Application Part 2, in response to questions to the application.

Organizational Information

Applicant must provide information about the following:

- mission alignment
- organizational history
- short and long-term expected outcomes
- race, equity, diversity and inclusion (REDI) engagement
- statement of interest in membership
- details on how the applicant works collaboratively with partners
- organization value to the network

Required Uploads: No

Optional Upload: Strategic Plan

Optional Upload: REDI Engagement and Advancement

Organizational Management

Applicant must provide information about the following

- business/operational planning
- organizational chart
- CHDO (Community Housing Development Organizations) and/or CAP (Community Action Agency) affiliation

Required Upload: Organizational Chart
Optional Upload: Business Plan
Optional Upload: Operational Plan
Optional Upload: Plan Narrative

Board Governance

Applicant must provide information about the following

- board member list
- board make-up and community reflection
- board recruitment strategy
- role of residents
 - See additional information regarding the board resident representation information in Appendix D.
- statement on organizational independence

Required Upload: Board By-Laws
Optional Upload: Board Member Overview

Service Area

Applicant must provide information about the following

- service area description
- community needs and impact within service area
- how the organizational work is measured
- collaboration with partners and NeighborWorks affiliates

Required Upload (Conditionally): Guiding Document
Optional Upload: Area Served
Optional Upload: Community Needs
Optional Upload: Impact and Outcome Measurement

Resource Development

Applicant must provide information about the following

- organizational resource development philosophy
- role of the board in fundraising
- levels of self-generated income
- investors and/or partners

Required Uploads: No
Optional Upload: Resource Development Plan

Financial Management

Applicant must provide information about the following

- overview of applicant’s financial management and budgeting process
- board approved operating budget
- description of financial management targets
- role of the board of directors in financial management
- any significant financial issues

Required Upload: Operating Budget

Optional Upload: Cashflow Forecast

Optional Upload: Financial Management Narrative

Optional Upload: Financial Targets Dashboard

Optional Upload: Financial Risks

Program Services

Applicant must provide information about the following

- business model
- comprehensive community development activities

Required Uploads: No

Optional Upload: Planned Community Economic Development

NeighborWorks Lines of Business

NeighborWorks America defines six lines of business it uses in the assessment process and in requesting quarterly production information. The six lines of business include Community Building and Engagement, Real Estate Development/Asset Management, Property Management, Homeownership Preservation, Home Ownership Promotion, and Lending and Portfolio Management.

NeighborWorks America uses the term “line of business” to reference the major programs, products and services provided by an organization. A line of business is that which the organization has a commitment to and has dedicated staff and /or a dedicated budget that supports it. Commitment can be demonstrated through a number of means, including staff, strategic plans, past and future planned production, contract commitments, etc.

By naming, assessing, and resourcing these lines of business, NeighborWorks America seeks to improve the performance and, ultimately, mission delivery of the network. NeighborWorks America expects each network organization to set goals within its lines of business, defining not only production targets but also performance, financial, and outcome/impact expectations. Due to the variety of markets served by network organizations, production and impact levels are best determined by each organization based on

market dynamics, local needs, and funding availability. Further, organizations should establish accounting and service delivery tracking systems for their significant lines of business. In some cases, organizations may group multiple lines-of-business together under a single unit (budget and staffing) as a combined LOB (Lines of Business), so performance measures/indicators would need to be applied appropriately.

This section of the application is structured with questions requesting information on production and activities within each of the lines of business.

Line of Business definitions can be found in Appendix A. Please read these line of business definitions to help in understanding NeighborWorks' explanation of each.

Community Building and Engagement (CB&E)

If applicable, applicant must provide information about the following

- describe the CB&E program including key goals, strategies, target areas, resident engagement, resident leadership development and training, and impact

Required Uploads: No

Optional Upload: CB&E Target Area

Optional Upload: CB&E Impact

Optional Upload: Resident Leadership Development

Homeownership Promotion and Preservation

If applicable, applicant must provide information about the following

- homeownership promotion/HBE/counseling (# served)- 2020, 2021, 2022, 2023 YTD, 2023 projected
- homeownership promotion financial performance- 2021, 2022, 2023 YTD, 2023 projected
- foreclosure mitigation counseling (# served) 2020, 2021, 2022, 2023 YTD
- owner-occupied home rehab and repairs (# served and \$ amt)- 2020, 2021, 2022, 2023 YTD
- refinances and reverse mortgages (# served and \$ amt)- 2020, 2021, 2022, 2023 YTD
- homeownership preservation financial performance- 2021, 2022, 2023 YTD, 2023 projected
- rental eviction prevention (# served and \$ amt)- 2020, 2021, 2022, 2023 YTD
- financial capability (# served and \$ amt)- 2020, 2021, 2022, 2023 YTD
- homebuyer client data tracking
- consulting services
- HUD Housing Counseling Agency identification

Required Uploads: No

Optional Uploads: No

Lending

If applicable, applicants must provide information about the following

- CDFI (Community Development Financial Institutions) status
- CDFI certification

Required Upload (Conditionally): CDFI Recertification Report

Required Upload (Conditionally): CDFI Financial Ratios (See Appendix E)

Lending and Portfolio Management- Residential

If applicable, applicant must provide information about the following

- residential amortizing loans (# loans and \$ amt)—2020, 2021, 2022, 2023 YTD, 2023 projected
- residential loan portfolio and delinquencies (# loans and \$ amt)- 2020, 2021, 2022, current
- deployment ratio (\$ amt)-2020, 2021, 2022, current
- write offs and allowances (\$ amt)-2020, 2021, 2022, current
- lending financial performance- 2021, 2022, 2023 YTD
- sources and uses of capital
- residential lending activities overview and experience
- loan types, range and average interest rates
- rate calculation methodology
- revolving loan fund levels and sources of funds

Required Uploads: No

Optional Upload: Rates Calculations

Lending and Portfolio Management - Commercial and Economic Development

If applicable, applicant must provide information about the following

- loan volume (# of loans and \$ amt)-2020, 2021, 2022, 2023 YTD, 2023 Projected
- total numbers of jobs created- 2020, 2021, 2022, 2023 YTD, 2023 Projected
- total number of jobs retained- 2020, 2021, 2022, 2023 YTD, 2023 Projected
- commercial lending activities overview and experience

Required Uploads: No

Optional Uploads: No

Real Estate Development/Asset Management

If applicable, applicant must provide information about the following

- # units produced 1 to 4 unit structures-2020, 2021, 2022, under development, 2-year pipeline
- # units produced 5 or more units- 2020, 2021, 2022, under development, 2-year pipeline
- description of projects owned and managed

- resident services programming

Required Uploads: No

Optional Upload: Units Produced

Optional Upload: Properties Owned and Managed

Optional Upload: Resident Services

Attestation

Finally, the applicant shall attest to the truthfulness of the application submission to NeighborWorks America.

Required Upload: Board Resolution

Review Stage

Upon **closing the application on June 9, 2023, at 8pm EDT**, NeighborWorks will begin its internal assessment of required documents submitted in Application Part 1 including the consolidated financial audits, the information and responses submitted in Application Part 2, and other available information. If there are questions for the applicant, NeighborWorks will reach out to the contact person provided at the beginning of the application.

NeighborWorks anticipates selecting up to five (5) organizations to invite to move to the assessment phase. All applicants will receive written notification of their application status in the fall of 2023.

Assessment Stage

NeighborWorks America will make a decision about whether to proceed with an invitation to the applicant for a full on-site review based on the information learned through a review of all application materials, a financial analysis of the applicant's submitted audit materials, and other available information.

If NeighborWorks decides to proceed with an invitation to conduct a full on-site review, the Organizational Assessment division will work with the Field division to schedule an on-site review with the applicant. This is *anticipated* to occur in late 2023/early 2024. NeighborWorks at its sole discretion may change the timeline to meet the needs of the organization, depending on any issues that may arise during the process.

If a more recent audit becomes available during the time of the application process, please contact NeighborWorks to submit this more recent audit. NeighborWorks America may ask for updated audits throughout the application period including during the onsite review, if conducted.

Prior to invitation for a full on-site review, NeighborWorks America, at its sole discretion, may offer the applicant organization the opportunity to resolve financial issues and/or develop a clear, verifiable plan for meeting basic membership criteria before an on-site review is scheduled. If NeighborWorks America determines not to offer a resolution period due to the nature of the circumstances, then the affiliation process ceases.

See the Charter Requirements section below for more information about the minimum requirements for charter membership.

General Timeline and Activities:

- Within three weeks of scheduling the onsite review, OAD along with the assigned regional staff, will conduct a formal introduction to the review process for the organization.
- OAD conducts a full on-site affiliation review using the same criteria as NeighborWorks America’s organization program reviews, which assess the following: Program and Production Services; Resources and Financial Management; Organizational Management and Board Governance; Management Personnel and Staffing; Planning; and Technical Operating Systems and Compliance. For further information on the NeighborWorks onsite review process please see Appendix F, *PROMPT: About the Review Process*, and Appendix G, *PROMPTWorks Modules*.
- OAD drafts a charter assessment report and gathers feedback from Field Operations and other divisions within NeighborWorks America. After this input period, the assessment report draft is sent to the applicant organization for comments.
- Once the draft assessment is completed and the applicant has provided comments and prior to issuing the final chartering report, NeighborWorks America will make a decision to either proceed with or end the affiliation process based on all the information learned through the affiliation process.
- If the affiliation candidate is issued Corrective Actions (CAs) r Areas for Improvement (AFIs) (together known as “Chartering Issues”) in the final report, does not meet the minimum organizational health standards, or if some other concern emerges about the organization’s long-term sustainability, the affiliation application may be terminated.
 - NeighborWorks America at its sole discretion may offer the applicant organization the option to create a development workplan to try to resolve the issues within six (6) months
 - The terms of a development workplan must be agreed to by both organizations.
 - If NeighborWorks America or the applicant organization decline to enter into a workplan, or if the issues are not resolved through the completion of the workplan within the agreed upon timeframe, the affiliation application will be terminated.

Charter Stage

- If no issues preventing affiliation emerge or once the items identified in a workplan are resolved within the identified timeframe, NeighborWorks America will make a decision on affiliation. If affiliation is approved, the assigned relationship manager and other staff from the regional office will work with the affiliation candidate to prepare and submit a chartering package, including board resolution.
- Submitted charter packages will be reviewed by and must receive approval from the Vice President of the Regional office, Senior Vice President of Field Operations, Chief Operating Officer, and Chief Executive Officer.
 - **The applicant organization will not be chartered until and if the charter package is approved and signed by all reviewers at NeighborWorks America.**

Charter Requirements

Organizations that become chartered members of the NeighborWorks network must meet and agree to adhere by the standards described below prior to charter. Failure to meet these standards will prevent an applicant organization from joining the NeighborWorks network and failure to maintain the standards as a member of the network will result in eventual disaffiliation from the network.

- a) To subscribe to a mission which is compatible with that of NeighborWorks America and to develop, manage and maintain programs and services within a defined service area that are at all times in keeping with this mission. NeighborWorks America Mission Statement: <https://www.neighborworks.org/About-Us>
- b) To establish and maintain a board of directors that reflects a partnership among resident leaders, the private business community and public officials, in which at least one-third of the board members are low-income residents or low-income resident representatives of the NeighborWorks organization's service area.
 - Resident board members can be:
 - residents of a low-income community within the NeighborWorks organization's service area;
 - low-income residents within the NeighborWorks organization's service area; or
 - individuals who are elected or appointed to represent residents of low-income communities within the NeighborWorks organization's service area.

More information can be found in Appendix D.

- c) To maintain exemption from federal income tax under section 501(c)(3) of the Internal Revenue code and to conduct all activities so as not to jeopardize that status; to remain an independent, nonprofit corporation not controlled by any other organization and to remain in good standing under applicable laws and regulations of the state where originally chartered.

- d) To establish and maintain a financial management system that complies with generally accepted accounting principles, enable the organization to prepare financial statements in accordance with Generally Accepted Accounting Principles and take into account adequate internal control systems.
- e) To adopt, through the board of directors, a conflict of interest policy, including without limitation its directors, officers and staff that, at a minimum adheres to the requirements of the Internal Revenue Service Form 1023 (Appendix A), Form 990 and OMB's Uniform Guidance at 2 CFR 200. The policy should also comply with any applicable federal, state, and local laws governing conflicts of interest in nonprofit and charitable corporations.

Organizations should have a conflict of interest policy. Minimum parameters and a simple model Conflict of Interest Policy can be found in Appendix H. Also, please see IRS Guidance in Appendix A of <https://www.irs.gov/pub/irs-pdf/i1023.pdf>

- f) To submit an unmodified annual audit by a certified public accountant conducted pursuant to NeighborWorks America and to transmit a copy of the complete audit to the designated office of NeighborWorks America within 180 days of the close of the organization's fiscal year.
 - The audit report must contain an unmodified opinion on the consolidated financial statements and related Schedule of Federal Awards
 - All reportable conditions and documented audit findings must be submitted with the audit report, in writing. Reportable conditions will normally be documented in the GAS report, Single Audit Report, or a management letter. If none of the preceding documents have been issued by your auditor, the organization should affirm in writing that no findings were cited by the auditor.
 - If the organization expends in excess of \$750,000 in federal expenditures during its fiscal year, applicable GAS and OMB Single Audit reports should be provided. If an organization's total expenditures exceeded \$750,000 but a Single Audit report was not required, the organizations should indicate this in writing concurrent to the audit report being submitted to NeighborWorks America.
- g) To submit reports to NeighborWorks America in the form, detail and timeframes required by NeighborWorks America and to comply with reasonable changes in reporting requirements over time. A brief overview of reporting requirements can be found in Appendix I.
- h) To submit to NeighborWorks America the geographic boundaries of the organization's service area.
- i) To participate and cooperate fully in regularly scheduled program reviews (including any subsidiaries or related organizations referred to as sub-recipients) conducted by NeighborWorks America or its designee and to develop and implement a Corrective Action Plan satisfactory to NeighborWorks America to remedy any significant deficiencies identified in the review. For further information on the NeighborWorks onsite review process please see Appendix F, *PROMPT: About the Review Process, and Appendix G, PROMPTWorks Modules.*

- j) To contribute to raising the visibility of the work and impact of the NeighborWorks network by clearly and consistently conveying membership in the NeighborWorks network through use of the “NeighborWorks Chartered Member” logo, and through descriptive language and text. At a minimum, the NeighborWorks Chartered Member logo will be placed on the following items:
- stationery of the NeighborWorks organization,
 - all business cards,
 - Web site home page,
 - newsletter, whether printed or electronic,
 - signage at the organization’s headquarters office,
 - annual report, and
 - informational brochures.

On these items, only the NeighborWorks organization’s own logo may be larger than the NeighborWorks Chartered Member logo. If the applicant organization is chartered, NeighborWorks America will grant the NeighborWorks organization a revocable license to use the NeighborWorks service mark in accordance with the guidelines and graphic standards prescribed by NeighborWorks America and outlined in the NeighborWorks Brand Manual as revised from time to time.

- k) To comply with the terms of the NeighborWorks America Investment and Grant Agreement, where in force, and with the terms of any other agreement governing the relationship between NeighborWorks America and members of the NeighborWorks network and related corporations in the NeighborWorks system which shall be executed at any future time.

Common Issues Causing Application Delays and/or Termination

Provided below is a listing of issues that most likely could result in NeighborWorks America deciding to delay or terminate an organization’s affiliation application.

- Not Meeting Board Resident Representation Requirements
 - As described in the Charter Requirements section above, at least one-third of the members of boards of directors of NeighborWorks organizations must be low-income residents or low-income resident representatives of the NeighborWorks organization’s service area at the time of the onsite review. Failure to meet this requirement will prevent an applicant organization from receiving an invitation for an onsite review. Appendix D of this document provides additional information about the ways in which this requirement can be met – including examples.
- Undergoing an Executive Director or CEO Transition
 - Executive transitions represent a major organizational change requiring significant attention from all levels of the organization and potentially impacting the health and sustainability of an organization. Therefore, it may not be a good time for an organization to undertake an effort as significant as joining the NeighborWorks network

during an executive transition. NeighborWorks America often will terminate the affiliation application of an applicant organization going through an executive transition.

- Lack of Consolidated Audit
 - The Charter Requirements section above includes guidance on the audit requirements for network organizations. NeighborWorks America will not be able to perform the necessary financial analysis without consolidated audited financial statements.

- Not Meeting Minimum Organizational Health Standards
 - In order to be chartered, the organization must meet the standards necessary to receive an organizational health rating of Good, Strong, or Exemplary, according to the same standards used for assessing the health of existing network organizations. This means the organization:
 - 1) Must receive an exceed rating in at least one of the dimensions relating to Program and Production Services, Resources and Financial Management, or Organizational Management and Board Governance; (Note, organizations that only exceed in Organizational Management and Board Governance may receive additional scrutiny due to concerns about long-term sustainability and low production compared to network peers as discussed below); and
 - 2) No does not meet on any dimension of organizational health, including Program and Production Services, Resources and Financial Management, Organizational Management and Board Governance, Management Personnel and Staffing, Planning, and Technical Operating Systems and Compliance.

- Concerns of Long-Term Sustainability
 - NeighborWorks America is interested in affiliating organizations most likely to be sustainable and deliver results in their communities for the long term. Organizations that rely on only one line of business and/or without diversification of revenues may raise concerns about long term sustainability, especially if earned revenues are low and the organization is highly reliant on one or a few grant funders. Organizations that do not exceed in the Resources and Financial Management dimension of organizational health may receive additional scrutiny to assess financial sustainability.

- Low Production Compared to Network Peers
 - NeighborWorks America works to allocate its scarce resources in a way that will support high-performing organizations achieving maximum impact. Therefore, NeighborWorks America may choose not to charter applicant organizations with production or asset levels at a lower scale than the averages of similar organizations already within the network – even if the applicant organization’s overall health meets the minimum standards. For more information on the work and impact of the NeighborWorks network, please see <http://www.neighborworks.org/Our-Impact/NeighborWorks-Impact>.

- Other Considerations – Reputational Risk
 - NeighborWorks America may determine that certain issues or situations potentially pose significant reputational risk to NeighborWorks America and/or the NeighborWorks network due to the applicant organization operating in a manner that conflicts with the generally accepted norms for non-profit management and governance. Upon assessment of these situations and at its sole discretion, NeighborWorks America may terminate the affiliation application.

APPENDICES

Appendix A	NeighborWorks Lines of Business
Appendix B	Guidance for the Conduct of Audits
Appendix C	Part 1 and Part 2 Application Naming Conventions
Appendix D	Board Governance Resident Representation Information
Appendix E	CDFI Financial Ratios Overview
Appendix F	PROMPT: About the Review Process
Appendix G	PROMPTWorks Modules
Appendix H	Model Conflict of Interest Policy
Appendix I	NW Reporting Requests Overview