

# Self-Helper

Summer 2020  
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## Start Strong - Timing is Everything

We all know Self-Help Housing requires many things to be managed and to fall into place for a successful grant. Participants, land or properties, 502 loans and processing, construction, and much more all must come together in ideal sequence with just the right timing for a grant to be completed successfully within the two-year grant period. In order to have every opportunity for success, **a strong grant start is necessary** and the timing of the moving parts for that start are key. Imagine these scenarios:

- A grant is closed before families have their COEs or property is in-hand.
- A grant closes in the fall, but construction cannot begin until the spring.
- A grant closes with only part of the first group of having their 502 loans.
- A grant closes even when there are significant conditions yet to be met.
- A nonprofit needs staff funding and closes a grant early, with EU's off in the distance.

These scenarios result in a high probability of a grant not finishing on time, being overspent, needing an extension, and/or the grantee having to supplement grant funds. A grantee has 24 months to accomplish its deliverables. Delays at the start will be very difficult to make-up.

It is virtually impossible to keep the three main grant aspects perfectly synchronized: **EU's completed, grant funds spent, time of grant elapsed.** However, it is important that they stay close and "within reach." Too few EU's completed may cause a grant extension to be necessary. Too much funds spent could result in several months with no money available. Too much time elapsed may cause a grant extension that must be covered somehow. Grantee management must keep watch on these measurables monthly and take whatever steps necessary to keep them in balance. The best way to insure success is to Start Strong with your construction beginning as soon after grant closing as possible.



*Providing comprehensive, quality services for Self-Help Housing*

## National Homeownership Month - Let's Celebrate!

*"Recently, we have been reminded that our homes are central to our health, our independence, and the well-being of our families. In response to the coronavirus outbreak, millions of Americans have transformed their homes into safe havens, virtual workplaces, classrooms, and, most importantly, places to nurture hopes and dreams for the future. During National Homeownership Month, we acknowledge the many benefits of secure and affordable homeownership."* - Proclamation on National Homeownership Month, 2020

**National Homeownership Month** is a time to celebrate and recognize the value and unmeasurable benefits of owning a home. Generally, we celebrate the project start with a ground-breaking ceremony and the project completion with a ribbon-cutting ceremony.

Celebrations and recognitions don't need to occur just at the start and finish of a project. There are many opportunities to celebrate during the process. Whether it is a small milestone, a home, a group of homes, or a subdivision tract... let's celebrate!

Regardless of the role that we play in self-help housing, most likely we experience some stress and focus on problem solving during the

making of each project. It is important to reflect on the things that did not go according to plan, and acknowledge our abilities, skills, and achievements. We must then learn from that experience and move on to continue working on new goals, but not before acknowledging the work of our team and celebrating our accomplishments.

**What milestone** are you celebrating?

- TA Grant Agreement signing
- Mortgage loan closings
- Pre-construction meetings
- Framing
- Construction start
- Final inspection
- Move in
- Other

**How** are you providing recognition to each and all self-help partners?

- Letter of appreciation
- Certificate of appreciation
- Celebration Event

**Why celebrate**

the start, progress and completion of a self-help housing project?

*"...people who cultivate a daily attitude of celebration and gratitude have more energy, less stress and anxiety, are more likely to help others, exercise more frequently, sleep better, have improved physical health, and actually make greater progress toward achieving personal goals."* - Emmons & McCullough



## Grant Extensions

It is not uncommon for grantees to need extensions in their grant for a variety of reasons. Rural Development usually grants these extensions without too much of a penalty to the grantee. However, grantees need to make sure their grants don't expire before an extension is granted. The national office is looking at these extensions a bit differently now and will be more strict. The request for an extension has to be made and approved **prior to the grant expiring**.

Contact NCALL for help if needed!

## Rural Development Interest Rate

The Rural Development 502 Direct note rate is holding steady at 2.75%. Keep this in mind when qualifying applicants. Visit RD's website regularly to check for changes.

## Grantee Highlights Success Stories on Social Media

All month long Self-Help Housing Purchase Repair grantee, Interfaith Housing Alliance of Frederick, MD, posted success stories to their Facebook page. It was fun to see and very inspirational! Great job IHA! Here is a sample:

Meet IHA's Homeowner: Jessica Such a successful feeling to say I am a homeowner, not too bad for a 38 year old single mother!" Thank you to the Seton Center Outreach office for connecting Jessica with IHA's Credit Cafe and Homeownership Programs!#HomeownershipMonth #PurchaseRepairHomeownership #IHA #FrederickStrong #JuneNationalHomeownership #HopeisContagious #NCALL Research, Inc. #selfhelphousing



I can honestly say the when I was introduced to the program, it seems too good to be true! Being a single mother, I always hoped and prayed that I would own my own home for my daughter! My parents worked just as I did, paycheck to paycheck. My parents never owned their own home, they always to this day rent. This program obviously is not too good to be true, it is all true! Thank god. Having the resources and trade-mans in my family was a blessing. They helped so much in general, let alone a big bonus with the sweat equity part of the IHA program. I have referred this program to so many deserving souls, like myself, so they can also be a first time home owner. Such a successful feeling to say I am a homeowner, not too bad for a 38 year old single mother! I would love to thank the Seton Center for introducing me to this program!! I am so blessed to have completed the program and to have had such a great team In helping me buy my first home.

Thank you so much Vivian and Carol for helping me get one of my goals started.





## Use of Ratios to Determine Financial Health



Financial ratios can provide a snapshot of organizational financial health that can be used by Boards of Directors and Management. This information is important for planning, goal setting, and decision making. They can easily be provided with the monthly financial reports or included in a financial dashboard to all those with fiduciary responsibility. The following are some standard ratios to consider:

### Current Ratio - Liquidity

Compares current assets expected to be available as cash and current liabilities that will become due, both within 12-months. Higher is preferred.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

### Quick Ratio - Liquidity

A conservative calculation indicating whether an organization can meet its near term (30-90 days) obligations. Higher is preferred.

$$\frac{\text{Cash} + \text{Cash Equivalents}}{\text{Current Liabilities}}$$

### Days Cash on Hand - Days Survival Ratio

Number of days that average cash disbursements can be made without any additional cash flow. Higher is better.

$$\frac{(\text{Cash} + \text{Cash Equivalents}) \times 365}{\text{Operating Expenses} - \text{Depreciation}}$$

### Debt to Equity Ratio - Proportion of Debt to Assets

This shows what % of net assets are tied up in liabilities. A lower ratio implies financial stability. (Note that debt used wisely can advance earnings and mission)

$$\frac{\text{Total Liabilities}}{\text{Total Net Assets}}$$

### Earned Income Ratio

Shows how much of your income is earned (fees, interest, rent, etc.). The goal is to trend upwards.

$$\frac{\text{Total Earned Revenue}}{\text{Total Revenue}}$$

### Self-Sufficiency Ratio

The goal is to trend upward with a larger portion of expenses being covered by earned revenue and less reliance on grants.

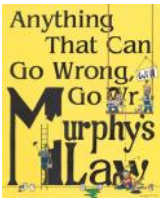
$$\frac{\text{Total Earned Revenue}}{\text{Total Expenses}}$$

Your CPA may use financial ratios when doing your audit. Check with them to see which ratios are most applicable to you and where your numbers fall in terms of organizational financial health.

## PPP Loans

If your agency got a Payroll Protection Program Loan, that you are hoping converts into a grant, make sure you are clear on the rules. If you have and are continuing to draw on a federal grant at the same time, you can't use the PPP for those same expenses. If you halt your grant draws and use the PPP loan, it is our understanding that you will need to get a time extension for the time when you were not spending grant funds. Please check with your bank or lending institution to clarify as the rules keep changing.

## 5 Things to Do When Your Project Goes Wrong



*Everything that can go wrong will go wrong – Murphy's Law.*

Ever had a project where this has happened? The project was tough to start with, delayed closings, underestimated budget with a seemingly impossible construction schedule, and then there was that difficult family. It all seemed to go downhill from there. The weather appeared to be against you, every time you got going it rained. Then when it cleared up the equipment broke. Productivity never seemed to reach where it should be. Why does it all keep going wrong? Is the site cursed?

When working on projects you tend to learn a very important lesson: Things go wrong; it's inevitable. Projects fall behind schedule, go over budget or just simply crash and burn. Smart program managers know this and work hard to recognize when they need to step in and take action. So, what should you do if you start seeing signs that your project is in trouble? Here are five things to try to get back on track.

**1. Take the lead.** A failing project can send waves of panic through a group. Executives, team members, family participants, contractors and other stakeholders (USDA & NCALL) all have a vested interest in seeing your project through to successful completion. When it becomes clear that's not going to happen, a strong leader must come forward with a clear, proactive plan. Showing leadership in times of crisis is one of

the most essential project management requirements. To stop uncertainty turning into panic, listen to people's concerns as soon as they arise, rather than waiting until the project is failing. Keeping your composure means accountability issues can be focused on in more detail at the review stage. Try and focus on solutions rather than the problems and be transparent. Communicate honestly to everyone, whether this involves a short phone call or email, let them know you have a plan in place. This will ensure there are no surprises further down the line.

**2. Don't be tempted to simply throw more resources at the problem.** A common reaction to a struggling project is to put more resources into it. If management is not able to provide subject matter expertise, they will feel they need to contribute somehow to correct it. The commodity at their disposal may be more funding or staff. Be wary of this. More cooks do not equate to a better dish. Consider a more careful allocation of resources instead. You may need to provide or enlist some mentoring or training for your team members or even yourself if you are managing a project outside of your technical expertise.

**3. Don't sugar coat a problem.** Trying to hide a struggling project won't make it go away. If anything, this will probably make things worse! When faced with a challenging project, it's always best to communicate the problem clearly and with full transparency. You can't get team members working with you to solve the issue if they don't

know what's happening. Be honest about what's gone wrong and what you need to fix, but avoid spreading blame or making excuses.

**4. Learn from the experience/set up training.** Ask the tough questions: Why did we fail? Where or when did things go wrong? What do we need to do to prevent this happening in future? Create a supportive, relaxed atmosphere where all team members feel comfortable sharing their thoughts openly. After identifying the issues, you should look at how your team can move forward and learn from these mistakes. You could set team members personal improvements to work on. Try compiling a checklist from all the points raised in the review and provide training in any areas that people fell short. This will foster your team's confidence in the organization's willingness to fill any gaps in knowledge.

**5. Follow up.** After the review of the project, be sure to follow through with any useful suggestions you and your team uncovered. Use that information to develop stronger training initiatives, project management tips and best practices, and follow up with decision makers to be sure necessary changes are implemented. Then, see how these changes effect your next project.

Challenging projects are an opportunity to learn from past mistakes and make improvements going forward. Approach them with the right attitude, and you can strengthen your project management toolkit!

## Accessing SHARES and E-Forms

SHARES is a web-based software application provided by USDA, Rural Development to manage, track, and evaluate the status of grants in the Self-Help Housing Section 523 Grant Program. It also really helps Rural Development keep track of the total stats for the program nationwide, which in turn, helps advocate for federal funding. So please, do your best to keep it up to date! USDA, RD makes your SHARES data available to all parties who provide assistance to this program.

### Who Updates SHARES?

When a new grantee first gets approved, the regional contractor sends a request to RD to add a new grantee into SHARES. When RD confirms the new grantee is added, the regional contractor adds the grant into SHARES and notifies the grantee that their grant is available for updating. We ask all grantees to have their SHARES information updated by the 5th of each month.

This will ensure the numbers are accurately included in the monthly reports sent to RD. Any grantees doing Purchase/Repair should, at a minimum, input their 502 loan information in SHARES.

### How to Register for a USDA eAUTHENTICATION Level 2 Account

A USDA Level 2 eAuthentication account is required to access SHARES or E-Forms. If you don't already have an account, you will need to visit the USDA account registration page to create one. Enter all required information and respond to any questions to complete your Level 2 account registration. Once you have registered, your eAuth account is ready to access SHARES or E-Forms. RD has updated this process so it can be completed entirely online.

### Browser Requirements

Internet Explorer 11 (IE 11) is the USDA recommended browser for

accessing both SHARES and E-Forms. If you are using an earlier version of Internet Explorer than IE 11, you need to update to IE 11. Make sure **usda.gov** is added to your Compatibility View Settings in IE 11.

*NOTE: USDA tech support recommends avoiding using Chrome for either SHARES or E-Forms. If you experience problems using Chrome, switching to IE 11 usually resolves any issues*

### Who to Contact for Help with eAUTH OR SHARES:

Phyllis Rosica, Region III Self-Help Program Analyst  
Phone: 302-678-9400  
Email: [prostica@ncall.org](mailto:prostica@ncall.org)

For more detailed information including USDA links, please visit our webpage, <http://www.ncall.org/self-help-housing/> and navigate to SHARES & E-Forms Info under QUICK LINKS.

## Complete This Word Search for a PRIZE!!

Need a break after all that reading?! If you are the first person to turn in this puzzle to Jill at [jlordan@ncall.org](mailto:jlordan@ncall.org), you will win your choice of \$25 in Facebook Advertising to promote self-help or business card mini flyers.



Find these words:

- Accurate
- Assessment
- Board
- Celebrate
- Extension
- Inspire
- Ratios
- SHARES
- Success
- Timing

R H A Q S T I F C Z G R H K L  
T O H F V H S O Z C Z S F K L  
W M D N F D A U R C Y B X S M  
Z G M S O H Y R C K N T J Z T  
O H M O J U B E E C G B P A T  
J U J E O G L O W S E A W O F  
B N R D E X X I E W H S W X N  
O E X T E N S I O N V G S K A  
A Z Z Q Z H D T I M I N G U C  
R L U A A I W X G B U Q Y T C  
D T U J G F J I N S P I R E U  
E A K A S S E S S M E N T H R  
K C Q I U D M R A T I O S E A  
K P C E L E B R A T E A D T T  
E Y N S F J X C I Z N B K K E

## Spend Some Time Learning

Now may be a great time to be thinking about the benefits of **staff trainings**. During this unprecedented time, there are several training providers that are committed to providing additional training resources and tools so that you can meet the needs of your organization and community. Some have created new virtual trainings that are designed to help you effectively address the new challenges we are all facing. Below is a list of several training providers that take the lead in nonprofit training. Check them out to see if there are any classes that might benefit you or your team.

### **NeighborWorks America's** online training offerings



let you stay close to your work while gaining the same valuable skills and knowledge offered at their highly rated in-person training events. You can arrange professional development around your busy schedule, and best of all, save valuable travel dollars and time away from the office. Their newest offering, interactive webinars, are more than just webinar sessions – they're webinar training. Each 90-minute session, typically offered on Tuesdays and/or Thursdays at 1pm ET, comes complete with expert faculty instruction, downloadable resources and reference pieces, learning checks, a certificate of completion, and continuing education hours. Website: [neighborworks.org](http://neighborworks.org)

### **The National Community Reinvestment Coalition's** National



Training Academy offers substantive state-of-the-art training and technical assistance both on-site and online via webinars. Their mission is to provide a comprehensive training program that meets the needs of organizations committed to increasing access to credit in communities. They do so by increasing the knowledge and skills of organizations seeking to expand their services. Their extensive curriculum ranges from courses on The Community Reinvestment Act (CRA), fair lending laws, Home Mortgage Disclosure Act (HMDA), Truth in Lending Act (TILA), Real Estate Settlement Procedures Act (RESPA), Homeownership and Equity Protection Act (HOEPA), the newest in mortgage loans, challenges to unfair lending policies, and effective coalition building. Website: [nrc.org](http://nrc.org)

**Diversified Resource Network** is the one-stop resource center for housing and credit professionals. This tool provides helpful information that enhances your knowledge of industry changes and regulatory updates in a timely manner, all in one single location. This is your online Learning Center that will aid you in addressing your continued education unit requirements of the National Industry Standards for Homeownership Education and Counseling. Their online training curriculum is designed to provide high-quality professional training and access to cutting edge resources, all in one location. Website: [diversifiedresourcenetwork.org](http://diversifiedresourcenetwork.org)



[diversifiedresourcenetwork.org](http://diversifiedresourcenetwork.org)

### **NonprofitReady.org** is a signature program of the Cornerstone OnDemand Foundation. [nonprofitready.org](http://nonprofitready.org)

Their mission is to enable nonprofit professionals and volunteers to develop their career and do better by providing high quality, relevant online learning resources at zero cost. Contact them to learn more. They launched NonprofitReady in 2014 to address this unmet need for anytime, anywhere access to professional learning for the nonprofit sector. Their team includes experts in learning design and nonprofit professional development. Their work is supported by experts from across the nonprofit sector and eLearning industry who donate their time and share their knowledge in support of NonprofitReady's mission. Website: [NonprofitReady.org](http://NonprofitReady.org)

### **Nonprofit Marketing Guide** was



founded by Kivi Leroux Miller. This site helps nonprofit communications professionals learn their jobs *and* love their jobs through a variety of training and coaching programs. She has personally mentored more than 150 nonprofit communications directors and communications teams as a certified executive coach. She is a popular keynote, workshop, and webinar presenter, speaking dozens of times each year. She is also the co-founder of Bold & Bright Media. Website: [nonprofitmarketingguide.com](http://nonprofitmarketingguide.com)



## Does Your Board of Directors Need a Tune Up?

*Do you need some new spark plugs?  
Is the timing off and some  
adjustments are needed?  
Is the engine missing or not running  
smoothly? Or has your “check  
engine” light come on?*

Quality governance is critical to the success of an organization. Boards of Directors don't exist just to fill a requirement, rather they should play a vital role in a top performing organization. After all, aren't Boards of Directors at the top of the organizational chart? As ambassadors and fiduciaries of the organization, it is the Board's oversight, planning, policy development, accountability, evaluation, and employment of an Executive that are the steering wheel for the organization.

**Are your Board slots full?** If not, why not? Your organization needs a full, functioning Board with a variety of skills, representations, and demographics to undertake its efforts. A simple matrix can determine what skills, representations, and demographics current Board members bring. Are there Board members with legal, financial, business, nonprofit, real estate, government, social service, consumer, and fundraising skills? Is the town or county government, religious community, and other organizations you align with represented on the Board? Is the Board reflective of the community and the customers that participate in self-help housing or your other programs? It should be! Develop a matrix of your current Board and brainstorm about what is needed to enhance the organization.

**How is attendance?** Is attendance sporadic? Are quorums a problem? There is no room for inactivity on Boards these days. If members are not present, they cannot function. Attendance should be tracked and if the Bylaws speak about non-attendance, they should be enforced. Are officers present and accounted for? Boards really need functioning Presidents, Vice-Presidents, Secretaries, and Treasurers to be in compliance and fully operational.

**A good tune-up begins with a “diagnostic assessment”.** An assessment of the Board of Directors can show what problems exist and need addressing. It is healthy to discuss the following questions or utilize a ranking process to see what areas you are strong in and what are lacking. How many miles it has been since your last diagnostic?

1. When did the Board last evaluate the Executive?
2. When did the Board last review the Bylaws?
3. Does your CPA present the audit to the full Board annually?
4. How would you assess your organization's minutes?
5. Are comprehensive financials issued monthly in a format that is easy to understand?
6. When did the Board last do strategic planning and is there a current plan? Was there full discussion of Mission/Vision, strengths/weaknesses, and opportunities/threats?
7. Are elections held annually at a duly called Annual Meeting?
8. Does the Board approve the organization's operating budget



- and monitor spending?
9. What policies has the Board reviewed/approved? (personnel, financial, operations, etc.)
  10. Has the Board designated financial reserves? (operations, building, succession, etc.)
  11. How often are Conflict of Interest forms completed by Board members?
  12. Does the Insurance agent provide a summary of organizational coverage?
  13. Does staff do presentations on the organization's programs?
  14. Does the Board hear directly from customers and stakeholders?
  15. At meetings, does the Board do forward thinking about the organization's future?

Yes, there are more questions that could be asked, but these 15 will be a great start in identifying the strengths and weaknesses of your Board operation. They also provide you with the makings of a **Board Development Plan** so that the organization can hit on all cylinders with the performance and efficiency needed in today's environment.

Let NCALL know if we can help with a diagnostic assessment or Board Development Plan.



## 10 Simple Rules for More Accurate Cost Estimates

### 1: Make Sure You Are Detailed and Precise in the Take-Off Process

You can't bid what you don't know. The care required in this step of the process can't be underestimated (pun intended).

### 2: Beware Unit Cost Estimating Guides

Estimating based on unit cost or per square foot can be a bad choice for accurate estimating due to the many variables specific to your project. Use these guides for ballpark estimates only.

**3: Use a Master Checklist** It's easy to forget things like permits, landscaping, dumpster fees, etc. Use a master checklist to make sure you don't forget necessary steps and items. Also consider using professional construction bid software. The advantage of having all the information in one place, being able to track costs, and the reduction in errors may be worth the investment.

### 4: Provide Extreme Detail Where You Have Expertise, and More Importantly Where You Don't

It's easy to be detailed on the portions of the project where you have the most experience, but it's your own gray areas that will come back and bite you with cost overruns. Apply the same level of detail in task isolation, labor and material needs on those areas where you don't have expertise. Don't hesitate to call specific subcontractors or consultants to help out.

### 5: Define the Project Risks and Factor In Their Costs

Start by looking at previous projects and what unknowns at estimation time became margin killers during the project. Use this knowledge as a guide when

creating estimates for future projects. Cost estimating software may help you immensely.

**6: Understand Products, Materials Pricing and Fluctuations** You know prices change, so pay close attention to factors that can affect pricing when estimating costs.

**7: View Your Project by Cost Centers** What portions of the project are contributing the highest percentage of overall project costs? Spend time in these areas, ensuring precise definition of the scope, tasks, labor and materials needs.

**8: Accurately Determine Equipment Needs** Make sure you have the equipment capacity that is matched with the project. Also make sure equipment that is interfacing with other equipment is the correct size, offers the appropriate capabilities and is not redundant. Take time to consider whether it is more cost effective to rent or use your own equipment and small tools.

**9: Check Subcontractor Quotes** Go through the same steps in evaluating potential subcontractors. Always compare more than one subcontractor for each specific scope of work on a labor and material basis. Getting apples to apples is critical in covering or uncovering any pitfalls.

When considering which contractors to go with, never accept a cost-plus bid. Find a subcontractor who will provide you a firm estimate based on project scope.

### 10: Check with Your Material Supplier for Insight

Having the right materials for the right job is critical for success. Reach out to your material supplier for

insight. The right advisor can give help determine what materials would be good, which ones perform well together and what is best within the budget.

### Accurate Project Estimates Are Just the Beginning

Success starts with accurate project estimates and depends on solid execution.

### Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, July 23<sup>rd</sup> at 11:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions.

*In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs).*

*To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).*

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