

Self-Helper

Fall 2021

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Could Storing Materials Help Fight Against Rising Costs?

As grantees navigate the self-help program through this pandemic they continue to face unprecedented challenges. From managing the health and safety of staff, participating families, subcontractors and vendors to adapting to new working conditions and practices. One issue that has no clear solution is rising material prices coupled with low inventory stock.



Some grantees have considered purchasing materials and storing them well in advance of needing them. The benefits of doing this make it worth considering:

- Having access to the materials when needed, enabling construction to continue on schedule
- Holding the cost throughout the build
- Potentially buying at reduced prices
- Avoiding potential material shortages
- Having the exact material that you needed

Although purchasing materials in bulk and storing them might be a great option, grantees should understand the risks inherent in this strategy and find ways to mitigate them. For example, if using 502 loans for this purpose, USDA would need to authorize funds to be used in this manner since it poses a risk to the lender. Lenders often require control over how funds are used, how materials are stored and insured and for how long. If the grantee is self-funding these purchases, then they are taking on these same risks and costs.

The primary concern with stored materials is the risk of their loss, whether through physical damage, theft, or deterioration due to inadequate facilities. Any such loss can have an impact on the participant's budget causing financial risk to the family and USDA. In order

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Storing Materials *(Continued from Page 1)*

to protect their interest, USDA may restrict funds for stored materials and seek assurances that all materials are paid in full, accounted for, stored properly and protected from losses. Such assurances may include:

- Insurance of stored materials
- Proof of ownership by the borrower
- A log of stored materials, sometimes including periodic photos of the materials
- Occasional inspection of storage site
- Storage in “trusted” facilities under certain conditions
- Time limits for the use of stored materials

There is also the additional costs of having the storage facility and the insurance necessary to protect the material. Will this expense be paid by the grantee or split between the participants? Do these extra fees negate the savings that was achieved by purchasing the materials up front? With affordability the ultimate goal of the program, the whole picture should be considered.

Finding middle ground between USDA and the families’

objectives is crucial for ensuring the protection of the best interests of all parties. The number of things to consider and monitor is significant, therefore it is crucial to discuss the benefits, risks, and added expenses with the families and USDA.



SHARES Account Registration Has Changed!

A USDA Level 2 SHARES account is required to access SHARES and E-Forms. If you don’t already have a SHARES account, you will need to visit the USDA eAuthentication login page and select Create Account. Enter all required information and respond to any questions to complete your SHARES account registration and your identity verification.

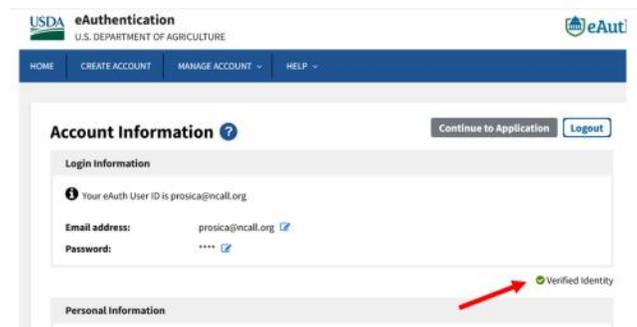
There is no longer a requirement to visit the USDA state office with proof of identity to receive SHARES Level 2 access. RD has updated this process to be completed online. The identity verification process consists of a series of questions about yourself that you must answer correctly to be verified. Be sure to click on the Verify Identity icon when creating your account so that you will be verified and ready to request SHARES Level 2 access.

When your identity is verified, you will see a Verified Identity icon with a check mark at the top of your SHARES account information.

If you already have a SHARES account but are not sure if you are verified or have Level 2 access, you can find out by viewing your SHARES account information. Please visit the SHARES and E-Forms Info page at <http://ncall.org/shares-eforms-information/> for additional information. You can find the link for instructions to *View Your SHARES Account Information* located in the *How To Register For a USDA eAuthentication Level 2 Account* section. Once you have created your account and successfully verified your identity, you will need to request your

Level 2 access role to be able to enter information into SHARES and E-Forms.

Please send your request via email, along with your SHARES account User ID, to Phyllis Rosica (prosica@ncall.org). NCALL will create and submit a SHARES Access Request form on your behalf to secure your SHARES access role. It may take up to a week for your access role to be assigned and appear in your SHARES account information.



Why Resource Development?

While most view resource development as an important function of nonprofit operations, the reasons are often not articulated. Of course, resources are necessary for nonprofits to operate and achieve their missions. To understand the importance of the resource development function, we will look deeper to see why time, effort, and resources should be allocated for this purpose. Here are some reasons to have a robust resource development component:

To Meet Budgetary Goals –

Organizations and lines of business have annual budgets that must be raised to have the staff and resources to carry out services and activities that will result in accomplishment of goals.

To Diversify Funding – Having all the organization’s funding in one basket is risky and creates a vulnerability should that funder or resource disappear or lessen. Such dependency can have grave consequences. A diverse funding base leads to a healthy mix of revenue streams that can ebb and flow without negatively impacting operations. A healthy resource mix could include government (federal, state, local), bank and corporate, foundation, fees, earned income, donations, etc.

To Have Reserves – Things happen to even the best planned nonprofits that cause a need for money. Nonprofits should be able to address and resolve problems and needs, rather than sit passively by. Whether it be operating reserves, building reserves, working capital

reserves, or even strategic plan implementation reserves, organizations should have them, ideally in a formal ‘Board designated’ setting on the balance sheet.

To Address Rising Costs –

Rarely does the cost of goods and services remain the same. Whether it be salaries, benefits, technology, audits, supplies, subcontractors, etc., prices generally rise over time and that means additional resources will be necessary. Funding at a status quo level year in and year out will not be sufficient.

To Take Advantage of

Opportunities – Even in bleak times, opportunities present themselves. If the nonprofit has sufficient unrestricted net assets to seize opportunities to benefit the organization, a line of business, or the people it serves, great things can happen. If there are too few net assets or no Opportunity Reserve or Rainy-Day Fund, the organization will sit on the sidelines.

To Grow the Organization –

Strategic plan goals are ambitious, often looking at doing something better, increasing the organization’s presence, serving more people, adding a line of business, or building capacity. Resources are a key part of the strategic plan as money and staff time should be allocated for implementation and accomplishment. Growth requires investment in order to achieve a greater capacity, mix of



services, delivery system, and reach.

How is the resource development function done in your organization? Is it done by the Executive Director, Program Managers, a Grant Writer, or a combo? There is no one right or wrong way. The important thing is that resource development is thought about, planned, and staffed in a manner compatible with your organization.

Take time to assess your organization’s resource development component:

- Is it sufficient or deficient?
- Are goals set each year?
- Is a schedule or plan used?
- Are appropriate resources allocated?
- Are accomplishments measured?
- What needs to be changed?

Design the resource development component your nonprofit needs in order to prosper and be resilient.

PS: Self-help housing and other affordable housing programs are great platforms from which to fundraise!

(See more on resource development on the next page.)

Readying Your Organization for Resource Development

ARE YOU READY?

Successful resource development requires a certain readiness by an organization. There are specific capacities necessary to help a funder understand that the organization has the maturity and depth to use the funds wisely, accomplish the goals, and achieve deliverables.

The following is a list of what organizations may benefit from as they undertake resource development:

- A website that is up to date
- An audit with no findings & growing net assets
- An Annual Report to the public
- A current Strategic Plan
- An engaged Board that gives
- Organizational and program budgets
- Clearly articulated accomplishments
- Third party confirmation, such as program reviews
- A menu of grant needs for multiple funders
- Uniqueness that separates you from the crowd
- A Succession Plan
- A Resource Development calendar or plan
- Share how you could serve more, build more, and grow with added funding
- Know the numbers (finances & accomplishments)

Finally, have your verbal and written pitch down pat so that it rolls off the tongue and the pen.

Checklist for Assessing Grant Opportunities



Now that your organization is ready, you can start your grant

applications, but which resources should you be applying for? What should you look at when assessing whether to apply for a grant opportunity?

- Does Board or staff have a relationship with the funder?
- When is it due - is there time to put in a quality application?
- How much staff time and effort will it take?
- What are the odds of a grant award?
- Who in the organization will prepare the grant application?
- Would the reward be worth the effort?
- Does it make sense?

When assessing the odds of an award, it helps to know how many grants will be made, how much is available overall for grants, and who is likely to be your competition.

Good luck!

- Does the grant purpose match your organization's mission?
- Is it compatible with your organization's existing programs?
- Would it improve and enhance a current line of business?
- Would it help to diversify your mix of funding sources?
- Does it fit within the purview of your current strategic plan?
- Would the grant purpose build or sap organizational capacity?
- Can grant criteria and requirements be met?

Rural Development Interest Rate

The Rural Development 502 Direct note rate remained at 2.50% in September. Visit RD's website monthly to check for changes.

NCALL Offers New Predevelopment Grant Program

Interested in starting a Self-Help Housing Program at your agency? Starting October 1st, NCALL will be offering a new predevelopment grant program to help interested groups develop a complete 523 grant application. The grant, ranging from \$10,000-15,000, is a one time option for organizations with housing experience. A feasibility study and application are among the requirements to apply. Contact Jill at NCALL for more information at jlordan@ncall.org.

The Importance of a Project Director

The basic definition of a project is, ‘a temporary endeavor undertaken to create a unique product, service or result.’ The project environment is very different from that of typical day to day operations or a regular team that performs similar activities on a day-to-day basis. Grantees don’t need a complex methodology when it comes to managing a grant, but they do benefit from having a designated project director.

Having a project director increases the likelihood your grant will be successful, finish in a timely manner and stay on budget, enabling your organization to continue providing this valuable service to the community.

- 1. Provide vision and direction** – The project director identifies the goals of the project and gives it purpose and direction. They also become the point of contact for the program, being responsible for all communication between stakeholders, which decreases confusion and increases accuracy.
- 2. Increase efficiency** – The project manager works with the self-help team to define the tasks which need to be undertaken in order to complete the project, and in what order they should occur. This ensures that tasks are completed efficiently.
- 3. Control scope** – The scope of the grant is comprised of its goals (the grant deliverables) and what work has to be done to deliver the goals. The project manager will continually review goals which helps save effort and cost.
- 4. Manage costs** – Delivering on time and within budget are two challenges of any grant. The project director allocates not only monetary costs but also the people resources, both internal and external, and the equipment and supply costs as well.
- 5. Manage time** – Time is arguably the biggest challenge of any grant. The project director must manage the grant schedule by examining milestones, key dates and the critical path throughout the project.
- 6. Schedule the work** – The project director ensures that all the self-help team members work on their tasks in the appropriate order. This includes calculating the time a task takes and solving any problems which may cause delays in reaching deadlines.
- 7. Deal with potential risks** – There are always potential risks in a project, no matter how well planned. A project manager will identify potential risks, assess the impact they may have and make a plan to avoid or manage them. The aim of risk management is to reduce the undesirable consequences (impact) as much as possible.
- 8. Administer procurement** – If your grant requires products and services from outside the organization, the project director oversees these contracts and their terms.
- 9. Communicate with stakeholders** – Once the grant is up and running, it is crucial to communicate progress of the grant to both the self-help team and the

stakeholders. The project director communicates the performance and any issues to Rural Development, the T & MA Provider and the organization’s leadership in regularly scheduled reports and meetings.

9. **Close the Grant** – After the grantee has met the goals and expectations of the grant, the project director documents and reviews the grant phases with the stakeholders. An evaluation of the grant is undertaken, with lessons learned duly noted for the next grant.



New Training Handbooks Released

NCALL has been working with the other three Technical and Management Assistance Contractors on the development of some new training handbooks. The “Feasibility Handbook,” “Section 523 Technical Assistance Grant Application Handbook” and the “Board Governance Handbook” have been approved by Rural Development for use nationwide. You can find them on NCALL’s website at <http://ncall.org/guides-forms/> and on the Spotlight website also. We hope you find them helpful!

SAM Registration Now Required

On July 27th USDA issued an AN that affects all self-help housing grantees. Rural Development AN 4882 clarifies the requirements for System for Award Management (SAM) screening by participants of all programs, including loans and guarantees. It also clarifies who to screen for suspension and debarment.

So, what does this mean for you? All grantees now need to be registered in SAM. The information in this government database has to be complete and accurate prior to submitting a grant application. This requirement takes effect on October 1, 2021. Therefore, the next time you submit a grant application, make sure your organization is registered in SAM and that all of the information is up to date.

Also, all applications will need to include the organization's UEI (Unique Entity Identifier) on any application. The UEI number will take the place of the DUNS (Data

Universal Numbering System) number eventually. GSA and Dun and Bradstreet are working together to ensure continuity of services during the transition to UEI, also known as the SAM Number. The DUNS will remain the official SAM number until April 2022. New registrants must continue to obtain a DUNS until April 2022.

SAM registrants must complete OMB directed representations and certifications in SAM.gov. These representations and certifications will replace certifications previously collected, which will eventually lead to fewer forms required in the application.

USDA RD staff will verify the registration status utilizing the Do Not Pay (DNP) Portal when completing DNP screening. At a minimum, RD staff must validate and document an active SAM registration status prior to having a complete application and obligation. Each program provides

the definitions of "complete application" and obligation stages. File documentation is required and readily available from the DNP Portal. USDA RD staff are to print the evidence of the SAM registration from the DNP Portal and place in the case file, electronic or hard copy as applicable.



Have a story or photos to share in the Self-Help Housing Spotlight website? Send it to Phyllis at prosica@ncall.org.

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, you will win \$25 to use for your self-help program.



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|--------------|------------|
| • Account | • Register |
| • Conference | • Resource |
| • Costs | • Risk |
| • Grants | • Storage |
| • Material | • Training |

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 C V K J J V I R E T S I G E R

HAC's National Rural Housing Conference

The Housing Assistance Council (HAC) is hosting their biannual National Rural Housing Conference December 1-3rd! It is usually held in Washington, DC; however, they recently announced that it will be held virtually this year.

The conference provides an excellent opportunity to learn and network with federal agencies, national intermediary organizations, and other vested stakeholders. For many, this conference represents the sole opportunity during the year to connect with important policymakers and experts.

The T&MA Contractors are hosting a

self-help housing track of sessions during the conference. We would love to have you join us!

Registration is not yet open. Visit <https://ruralhome.org/event/2021-national-rural-housing-conference/> to read more about it or sign up to be notified when registration is available.

The Conference also includes a pre-conference day, which normally includes NRSHTA and NRHC meetings.



Regional Video-Conference Call Planned

NCALL will be hosting another regional video-conference via Teams on **Thursday, October 21st at 11:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions.

Cost Overruns

Although there is talk of construction costs coming down, grantees nationwide are still experiencing problems and cost overruns due to the unprecedented increases in housing and material costs. Keep an eye out for an unnumbered letter coming soon that will provide guidance to RD staff on what they can do programmatically to help with these issues.

We think the suggestions they will lay out will focus on subsequent loans using either the 502 or the 504 program. For these sources of funding, a full application, including income information and verifications will still be needed, although a credit review will be waived. (Prior to the AN's release, the states can request a waiver to have to screen for credit.)

Additionally, there is the possibility of RD being able to offer a deferred mortgage option. This needs to pass Congress, so it has not yet been approved. Other options: 1. Look into the uses of your state's American Rescue Plan. This would be a great use of recovery funding and the states received a lot of resources for housing and stabilization. 2. If you haven't gone to closing yet, is there any reengineering that can be done to the house plans to make them more affordable? 3. Can your agency fund these overruns from reserves and put a soft-second mortgage on the property? 4. Use leveraged funding from CDBG, HOME, SHOP or other sources. Talk to Rural Development for other options.

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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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