



## Local Initiatives Support Corporation

### HUD Section 4 Capacity Building Program

#### Eligibility and Program Requirements

The Department of Housing and Urban Development (HUD) Section 4 Capacity Building Program is exclusively for **Community Development Corporations (CDCs)** and **Community Housing Development Organizations (CHDOs)**. CDCs and CHDOs must be organized under Federal, State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation. CDCs and CHDOs must have a tax exception ruling from the IRS under 501 (c)(3) or (4) of the Internal Revenue Code.

CDCs and CHDOs applying and/or receiving HUD S4 capacity building grants from LISC are required to submit the following documentation and comply with specific program and federal requirements. This list is for intake and general information purposes. Sub-recipients may be subject to additional documentation or program requirements as determined by LISC and/or HUD.

1	W-9 Form most recently released by the IRS	Most recent version is December of 2014
2	Tax Determination Letter	
3	Audited Financial Statements for the last 3 Fiscal Years	Internal financials and 990 Form may be accepted the first year of funding. Additional funding may be contingent upon the completion of an audit.
4	If subject to an A-133 audit, submission of A-133 Audits to the federal Audit Clearing House is required.	organizations expending more than \$500,000 of federal funds during a fiscal year, are subject to an A-133 audit. <i>The Uniform Guidance will raise the single audit threshold to \$750,000 for organizations with fiscal years beginning on (or after) January 1, 2015.</i> Organizations subject to an A-133 audit must submit the package to the Federal Audit Clearinghouse within 9 months after the close of their fiscal year or 30 days after receiving it from the auditors. <a href="https://harvester.census.gov/facweb/default.aspx/">https://harvester.census.gov/facweb/default.aspx/</a>
5	DUNS number	The Federal government requires that all entities applying for Federal grants and cooperative agreements have a DUNS number. Obtaining a DUNS number is free. <a href="https://www.whitehouse.gov/sites/default/files/omb/grants/duns_num_guide.pdf">https://www.whitehouse.gov/sites/default/files/omb/grants/duns_num_guide.pdf</a>
6	Active registration on the System for Award Management (SAM)	Organizations applying for HUD S4 capacity building grants must: 1) Be registered in SAM. 2) Maintain an active SAM registration during LISC grant term. SAM registrations must be renewed on a yearly basis. <a href="https://www.sam.gov/portal/SAM/#1">https://www.sam.gov/portal/SAM/#1</a>
7	Federal Tax obligations must be current	LISC may ask for copies of the CDC's recent Form 941 for proof of payment of federal tax obligations. LISC will also review this information at any moment during the grant period.
8	Not excluded, debarred or suspended from doing business with the Federal government	As evidenced in SAM.gov
9	Accounting system that maintains records that identify the source and application of funds by grant/award. Project cost accounting system able to segregate grant revenues and expenditures by grant.	This is different than having separate bank accounts. Organizations must track their HUD S4 grants separately in their accounting systems and should be able to produce general ledgers, balance sheets, and other accounting records that demonstrate that grant expenses are segregated for each federal grant.
10	Time and Effort Reporting System that meets federal requirements	CDCs should have employee timekeeping systems that record and certify how much time the employee spends on each funded project. Time records should identify how much time the employee spends on work under the CDC's HUD Section 4 grant. Timesheets should be prepared at least monthly and coincide with one or more pay periods. Timesheets must be signed by the employee and his/her supervisor. Budget estimations do not qualify as support for charges to HUD S4 awards. Documentation must include actual compensation (i.e., payroll records).
11	Written Personnel Policies and Procedures	The CDC should have a Personnel Manual that has been recently updated and approved by the Board.
12	Written Procurement Policies and Procedures	The CDC should have Procurement Procedures that meet federal regulations.
13	Written Financial & Accounting Procedures	The CDC should have a Finance Manual that has been recently updated and approved by the Board.

Please contact a LISC Program Officer to obtain additional information on the HUD Section 4 Capacity Building Program administered by LISC