

Documentation that qualifies an organization as a CDC

Instructions: Please complete, to the best of your abilities, questions (1) through (8) for all organizations, and questions 9(a) through 9(c) if the organization does not qualify under (1) through (8). All answers require comments. Some instances might require coordination with GCM and the involvement of LISC's Legal Department. In addition to this checklist, keep a copy of the following organization documents in your files: 1) Bylaws 2) Articles of Incorporation 3) IRS Determination Letter 4) Pre-Award Review Checklist and 5) Board of Directors List. GCM or LISC's auditors might request a copy of these documents.

Organization Name: _____

PA Number: _____

LISC Staff Completing this checklist: _____

As per HUD Draft Definition of a Community Development Corporation (CDC), a CDC means a nonprofit organization that has the following characteristics:

	Yes	No	N/A	Comments
(1) Is 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;				
(2) Is governed by a board of directors composed of community residents, business, and civic leaders -- this includes faith based community development corporations;				

	Yes	No	N/A	Comments
(3) It has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low income;				
(4) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization;				
(5) Has a tax exemption ruling from the Internal Revenue Service under section 501(c) (3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1);				
(6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems";				
(7) Is not an agency or instrumentality of a State or local government.				
(8) For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State).				

	Yes	No	N/A	Comments
(9) A CDC that does not qualify under paragraph (1) through (8) may also be determined to qualify as an eligible entity if it meets one of the following requirements:				
(a) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or				
(b) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended: or				
(c) The recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (1) through (8) of this section.				
Other Comments:				