



DEHCR

Division of Energy, Housing and Community Resources

**Nonprofit Operating and Capacity
Building Assistance**

**HOME-American Rescue Plan (HOME-ARP)
Program Guide**

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Chapter 1: HOME-ARP Nonprofit Operating and Capacity Building

1. Introduction

This Program Guide provides applicants and grantees with the information necessary to understand how to apply for and comply with the requirements of the US Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program, American Recovery Plan (HOME-ARP) funding administered by the Wisconsin Department of Administration's (DOA) Division of Energy, Housing, and Community Resources (DEHCR). This guidance specifically pertains to Nonprofit Operating and Capacity Building, a secondary form of assistance available to nonprofit owners of HOME-ARP assisted housing. More information on the HOME-ARP Rental Housing Development program can be found on [the Division's HOME-ARP webpage](#).

Persons with disabilities or with limited English proficiency who need the information contained in this publication in an alternate format may contact DEHCR. Requests should be made as soon as possible to allow sufficient time to arrange for the accommodation.

The HOME program was created by the National Affordable Housing Act of 1990. The statutory purpose of the HOME program is "to increase the number of families served with decent, safe, sanitary, and affordable housing and expand the long-term supply of affordable housing." Regulations governing HOME are published in 24 CFR Part 92 (Final Rule, published July 24, 2013 as amended (effective August 23, 2013)).

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law and on September 13, 2021, the HUD Community Planning and Development Division issued Notice CPD-21-10. Notice CPD-21-10 establishes requirements for HOME-ARP funds appropriated under Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2). In addition to [Notice CPD-21-10](#), HUD has issued a memorandum describing waivers and alternative requirements for the HOME-ARP Program. A link to that memorandum can be found as follows: <https://www.hudexchange.info/resource/6479/notice-cpd-2110-requirements-for-the-use-of-funds-in-the-home-arp-program/>.

HOME-ARP application materials issued by DEHCR will specify eligible uses of HOME-ARP funds. Applicants and recipients of HOME-ARP funding are encouraged to become familiar with the HOME regulations, Notice CPD-21-10, and the accompanying waivers. The information in this Program Guide and the application guide is current as of October 2023. Additional HUD guidance is anticipated in the future. Interested applicants and recipients are encouraged to visit <https://www.hudexchange.info/programs/home-arp/> for additional updates and guidance. This Program Guide may be amended by DEHCR in the event HUD issues future guidance regarding this program.



2. Eligible Applicants

Eligible applicants must be authorized to conduct business in Wisconsin and be a managing member or general partner of the project ownership entity. **Eligible applicants for HOME-ARP Nonprofit Operating and Capacity Building funds (NOCB) are non-for-profit organizations who will be reasonably expected to carry out HOME-ARP-assisted Rental Development projects within 24 months of NOCB award.**

The applicant is the entity that will:

1. Sign and submit the application;
2. Receive DEHCR communications;
3. Exercise sole authority to make decisions regarding the project; and
4. Execute the DEHCR funding agreement if the application is approved for HOME-ARP funding.

3. Unique Entity Identifier

The Unique Entity Identifier number (UEI) for the applicant organization must be identical to the one provided for other HOME-ARP awards. This number must be up-to-date, valid, and indicate no debarment.

4. Program Partner Roles and Responsibilities

HOME-ARP Nonprofit Operating and Capacity Building activities may be implemented by a HOME-ARP residential project owner already administering HOME-ARP projects or who is reasonably expected to carry out said activities within 24 months of the NOCB award.

5. Eligible Activities

This Program Guide provides guidance for the operation of HOME-ARP Nonprofit Operating and Capacity Building assistance for nonprofit recipients of HOME-ARP funding.

Administrative and Project Delivery costs vs. HOME-ARP Nonprofit Operating and Capacity Building Costs

To comply with HOME-ARP requirements, nonprofits receiving Nonprofit Operating and/or Capacity Building assistance must understand how HOME-ARP project delivery and administrative costs differ from HOME-ARP Nonprofit Operating/Capacity Building costs. Grant recipients must not use Nonprofit Operating/Capacity Building assistance to pay for either project/activity delivery or administrative costs. In most cases, if a given cost would be eligible either (i) as an administrative cost pursuant to Section VI.A. of CPD Notice 21-10 and [24 CFR § 92.207](#) or (ii) as a project/activity delivery cost pursuant to Sections VI.B.5.d, VI.D.4.b, or VI.E.3.e and consistent with [24 CFR § 92.206\(d\)](#), that cost cannot be supported with HOME-ARP Nonprofit Operating and Capacity Building assistance.

Distinguishing between Administrative and Project Delivery costs and HOME-ARP Nonprofit Operating and Capacity Building costs	
Administrative Costs (not eligible)	Include, but are not limited to, reasonable costs of overall management, coordination, monitoring, and evaluation of the HOME-ARP program; costs of administering HOME-ARP Supportive Services programs; and activities to affirmatively further fair housing. Under certain circumstances, indirect costs may also be included pursuant to a cost allocation plan. See Sec. VI.A of CPD 21-10 and 24 CFR § 92.207 .
Project/Activity Delivery Costs (not eligible)	Include, but are not limited to, the costs of wages/benefits or implementation of specific activities and developer fees paid to/collected by developers of HOME-ARP rental housing.
General Operating Costs (eligible)	Costs such as wages/benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment, materials, and supplies related to the general operations of a nonprofit organization, and which are not appropriately tied to a particular final cost objective such as HOME-ARP administration or HOME-ARP project/activity delivery or included in the calculation of the nonprofit's indirect cost rate (if applicable).
Nonprofit Operating Assistance (eligible)	HOME-ARP funds are provided for a nonprofit's general operating costs excluding any assistance provided as Capacity Building Assistance.
Nonprofit Capacity Building Assistance (eligible)	Capacity building costs are general operating costs of a nonprofit that can reasonably be expected to result in the expansion or improvement of an organization's ability to carry out eligible HOME-ARP activities successfully.

6. Eligible Costs

The following are eligible costs for both Nonprofit Operating and Nonprofit Capacity Building activities:

Nonprofit Operating Costs

Operating expenses are the reasonable and necessary costs of operating the nonprofit organization, not of implementing a HOME-ARP or any other specific program, project, or activity. Allowable uses of HOME-ARP Nonprofit Operating assistance are limited to:

- a. Employee salaries, wages, and other employee compensation and benefits not tied to any specific program, project, or activity
- b. Employee education, training, and travel
- c. Rent of office space or other spaces used for the organization's general operations



- d. Utilities
- e. Communication costs
- f. Taxes
- g. Insurance
- h. Equipment, materials, and supplies

Capacity Building Costs:

Allowable uses of HOME-ARP Capacity Building assistance are limited to:

- a. Wages/benefits for new hires whose presence will expand the organization's capacity to deliver HOME-ARP activities
- b. Employee training or other staff development that enhances an employee's skill set and expertise related to serving HOME-ARP Qualifying Populations
- c. Equipment (e.g., computer software or programs that improve organizational processes), upgrades to materials, and supplies
- d. Contracts for technical assistance or for consultants with expertise related to the HOME-ARP Qualifying Populations

7. Maximum Amount of Assistance

In any fiscal year, Nonprofit Operating assistance OR capacity building assistance may not exceed the greater of \$50,000.00 or 50% of the general operating expenses of the Grantee. If a nonprofit organization is receiving both operating expense AND capacity building assistance in any fiscal year, the combined operating expense and capacity building assistance may not exceed the greater of \$75,000.00 or 50% of the general operating expenses of the Grantee. Both forms of assistance will be distributed as a grant. The contract period will be one (1) year.

8. Application Thresholds

Applications for Nonprofit Operating assistance and Capacity Building assistance must meet the following criteria before any such award is made:

1. The applicant is applying for and is reasonably expected to receive HOME-ARP funds to develop rental housing within 24 months of the date of the application.
2. The applicant is not debarred from receiving Federal funding assistance.
3. The applicant provides proof of nonprofit status.
4. The submitted operating budget:
 - a. Has been adopted by the applicant's governing body; and
 - b. Includes total uses and sources of operating funds by line item.

9. Monitoring

The Grantee shall comply with monitoring visits and/or desk monitoring from representatives of DOA, HUD, and the Wisconsin Legislative Audit Bureau (LAB) for HOME-ARP grant program compliance.



Chapter 2: Compliance with Federal Cross-cutting Regulations

HOME-ARP Nonprofit Operating/Capacity Building applicants and subrecipients, service providers, and owners must comply with the following statutes, policies, and procedures.

1. Conflicts of Interest

Grantees must comply with organizational, individual, and procurement conflict of interest provisions. Grantees will be required to repay to DOA any HOME-ARP funds disbursed for persons with whom there is an identified conflict of interest unless an exception is granted by DEHCR.

In the procurement of property and services, the conflict of interest provisions at [42 CFR § 495.348](#) apply. These regulations require Grantees to maintain written standards governing the performance of their employees engaged in awarding and administering contracts. At a minimum, these standards must:

- a. Require that no employee, officer, or agent of the Grantee shall participate in the selection, award, or administration of a contract supported by HOME-ARP funds if their participation would create a real or apparent conflict of interest.
- b. Require that Grantee employees, officers and agents not accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.
- c. Stipulate provisions for penalties, sanctions, or other disciplinary actions for violations of standards

Grantees must maintain written standards of conduct covering the conflicts of interest and organizational conflicts of interest requirements under CPD Notice 21-10 and [2 CFR § 200.318](#). The written standards of conduct must also provide for internal controls and procedures to require a fair and open selection process for awarding HOME-ARP funds.

Exceptions to Conflicts of Interest: Any request for an exception to the conflicts of interest provisions must be made by the Grantee to DEHCR. DEHCR will in turn submit the requested exception to HUD, along with the required written public disclosure, and an opinion from DOA that an exception to the conflict would not violate State of Wisconsin law if that is the resulting opinion.

2. Drug Free Workplace

Grantees are required to certify and maintain a drug free workplace.

3. Financial Records and Audits

DOA, any of its authorized representatives, and the U.S. Government shall have access to and the right at any time to examine, audit, excerpt, transcribe, and copy on the Grantee's premises any directly pertinent records and computer files of the Grantee involving transactions relating to a HOME-ARP Grant Agreement. Similarly, DOA shall have access at any time to examine, audit, test, and analyze all physical projects subject to the HOME-ARP Grant Agreement. If the material is held in an automated format, the Grantee shall provide copies of these materials in the automated format or such computer



file as may be requested by DOA. Such material shall be retained until such time as DOA notifies otherwise.

4. Procurement and Contracting

All Grantee procurement must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at [2 CFR Part 200](#). Any procurement that did not incorporate federal labor standards or Section 3 employment opportunities requirements will be invalid. Construction contractors must have the appropriate license and insurance for the type of work being performed. Contractors and participants must not be debarred, suspended, or ineligible based on the excluded parties list.

DEHCR may require evidence that any pre-award procurement complied with the Grantee's written procurement policy and [2 CFR part 200](#), and included Federal Labor Standards and/or Section 3 requirements, as applicable.



Chapter 3: Funds Disbursement & Financial Updates

Grantees may draw on HOME-ARP funds as reimbursement of expenditures. To initiate each payment, Grantees must complete and submit the HOME-ARP Nonprofit Operating and Capacity Building Payment Request form on or before the fifteenth (15th) of the month following the close of the quarter.

Grantees are also allowed to submit monthly, on or before the fifteenth (15th) of the month, for the previous month's expenses. Grantees must submit at least one (1) Payment Request every quarter. DEHCR reserves the right to not process Payment Requests until Quarterly Reporting and Quarterly Financial Updates have been submitted. Quarterly Reporting and Quarterly Financial Updates are due with submission of the Payment Request for the last month in the quarter's expenses, whether the Grantee is submitting Payment Requests quarterly or monthly.

DEHCR reserves the right to change this policy.

The Quarterly Financial Update must address two topics:

1. When the Grantee expects to draw on HOME-ARP Nonprofit Operating and Capacity Building funds next.
2. If the Grantee foresees any issues with spending the full amount awarded within the performance period.

Grantees will be expected to provide a Quarterly Financial Update whether or not they are submitting a Payment Request that month until they have exhausted all funds. Similarly, Quarterly Reporting is due each quarter regardless of whether the grantee is submitting a Payment Request or not.

Payment Requests must be submitted by email to DOADEHCRFiscal@wisconsin.gov, copying the HOME-ARP Grant Specialist (Madalyn.Grau@wisconsin.gov). The subject of the email should follow the below format: HOME-ARP Nonprofit Operating 23-XX, Grantee Name, Quarter or Month/Year of Payment Quarterly Financial Updates and Quarterly Reporting should be sent to the HOME-ARP Grant Specialist (contact information is available on DEHCR's website).

Grantees must submit final Payment Requests and reporting within sixty (60) days of the performance period end date or termination of the Grant Agreement, whichever comes earlier. Payment Requests submitted after sixty (60) days of the performance period end date or termination of the Grant Agreement will not be processed.



Chapter 4: Recordkeeping Requirements

Each Grantee must establish and maintain sufficient records to enable HUD to determine whether HOME-ARP requirements are being met. At a minimum, the following records must be maintained for each HOME-ARP activity.

1. Nonprofit Operating and Capacity Building assistance

1. Records demonstrating the use of funds for Nonprofit Operating and Capacity Building assistance.
2. Any Grant Agreements between DOA and the Grantee must be retained for five (5) years after the agreement terminates.

2. Financial Records

Records demonstrating adequate budget control and other records required by the uniform administrative requirements, including evidence of periodic account reconciliations.

3. Program Administration Records

Records demonstrating compliance with the applicable uniform administrative requirements.

4. Records Retention Period

All records pertaining to HOME-ARP funds must be retained for five (5) years after contract close-out, except written agreements must be retained for five years after the agreement terminates.

5. Access to Records

Citizens, public agencies, and other interested parties shall be provided with reasonable access to records, consistent with applicable State of Wisconsin and local laws and any other applicable grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.



Chapter 5: Reporting and Performance Reports

Grantees must submit reports in a format and at such time as prescribed by DEHCR. As of October 2023, the following are known reporting requirements:

Grantees must submit Quarterly Reporting indicating:

1. Number of full time and part time employees hired or supported with HOME-ARP NOCB funding.
2. The number of trainings and technical assistance either attended or provided by HOME-ARP NOCB supported staff.
3. List of affordable housing project(s) supported by NOCB funded staff.
Reporting will be required until all NPOC funds have been drawn down.

HUD may issue additional guidance about reporting on HOME-ARP NOCB activities at a later date.