Horry County HOME Consortium
CHDO Operating Funds Policy & Application

Purpose
In accordance with 24 CFR 92, Horry County HOME Consortium (HCHC) can allocate up to five percent (5%) of its annual HOME allocation to offset a portion of general operating expenses for certified CHDOs that are receiving CHDO set-aside funds for affordable housing development. The funding is intended to assist CHDOs that can demonstrate a need for general operating support.

Eligibility
• Must be a HCHC-certified CHDO funded from the CHDO set-aside for a project under development;

OR

• CHDO must be approved for a HOME CHDO-set aside funded project.
• A CHDO may only receive two (2) operating grants for each qualifying project.

Eligible Operating Expenses
• Salaries, wages, benefits, and other employee compensation
• Employee education, training, and travel
• Rent and utilities
• Communication costs
• Technical assistance
• Contracted professional services (not project specific)
• Taxes and insurance
• Equipment, materials, and supplies

HOME assistance for operating expenses in each fiscal year may not exceed $50,000 or 50% of the CHDO's total annual operating expenses for that year, whichever is greater. This includes all CHDO operating grants from all other jurisdictions. Total funds available are based on the HOME funds allocated in the Annual Action Plan. Eligible expenses include only those operational costs that have been incurred within the grant period.

Ineligible Operating Expenses
• Project specific costs incurred by a CHDO while operating in the capacity of a subrecipient of HOME funding or contractor under the HOME program.
• Pre-development cost such as engineering, architecture, land purchase options, marketing, market studies, etc.

Funding Availability & Reimbursement
Funds are available beginning July 1 and are awarded through a competitive process. HCHC pays CHDO operating grant expenses on a reimbursement basis. The CHDO must be able to provide documentation.
that the work, services, or cost occurred within the grant period and the expenses were paid appropriately by the CHDO.

CHDO set-aside projects, for which CHDO operating funds are received, must make progress within a reasonable timeline. Any project that has not started construction within 12 months from the beginning of the initial CHDO operating grant period may not be eligible for a second year of CHDO operating assistance. HCHC will monitor project progress and reserves the right to decline additional funding requests based on project progress and CHDO need. HCHC reserves the right to recapture CHDO operating grants in the case where projects have not made adequate progress.

Financial Monitoring
CHDO operating grants are subject to financial monitoring by the HCHC. Monitoring may include:

1. An organizational chart showing titles and lines of authority for all individuals involved in proving or recording financial (and other) transactions;
2. Written position descriptions that describe the responsibilities of all key employees;
3. A written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures;
4. Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts;
5. Adequate separation of duties to assure that no one individual has authority over an entire financial transaction;
6. Hiring policies to ensure that staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job;
7. Control of access to accounting records, assets, blank forms, and confidential records are adequately controlled, such that only authorized persons can access them;
8. Procedures for regular reconciliation of its financial records, comparing its records with actual assets and liabilities of the organization;
9. Accounting records/source documentation;
10. Cash management procedures;
11. Procurement procedures;
12. Property controls; and
13. Annual audit.

Funding Decisions
Funding decisions will be based on the following criteria:

1. Availability of HOME CHDO operating funds at the time of application;
2. Demonstrated need for general operational support;
3. Previous performance record (if any) using HOME funds;
4. Status and progress to date of the associated Horry County HOME-funded project(s) request;
5. HCHC’s overall assessment of the organization and supporting documentation submitted; and

6. In good standing with HCHC.

CHDOs with outstanding audit findings, IRS findings, County monitoring findings, or other compliance issues are not eligible for CHDO operating assistance. Please note that the HCHC will work with all interested parties, where appropriate, toward the resolution of unresolved matters.

HCHC reserves the right to disapprove an application for CHDO operating assistance.
Horry County HOME Consortium
CHDO Operating Funds Application

Application Checklist

☐ Completed, signed application
☐ Provide a copy of the organization’s current balance sheet

☐ Copy of the organization’s current strategic plan
☐ Explanation of need

☐ Copy of the most current financial audit (if completed)
☐ Copy of the organization’s profit and loss for current year and previous year

CHDO Operating Grant Application

CHDO Name: ___________________________ Tax ID/ DUNS: _____________________________

CHDO Set-aside Project: ____________________________________________________________

Project Location: _________________________________________________________________

Requested CHDO Operating Grant Amount: __________________________________________

Please list the amount of CHDO Operating Grants received from other Jurisdictions:
___________________________________________________________________________
___________________________________________________________________________

Contact Information

Executive Director Name: ____________________________________________________________

Phone Number: _______________________ Email: _________________________________

Mailing Address: _________________________________________________________________

Secondary Contact Name: _________________________________________________________

Phone Number: _______________________ Email: _________________________________
Organizational Budget

In the chart below, please provide the current budgeted operational revenues, match, and expenses for the CHDO. This must exclude project specific funding costs.

<table>
<thead>
<tr>
<th>Project Annual Revenue Sources (insert rows as needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Sources (please list)</td>
</tr>
<tr>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projected Annual Operational Expenses (insert rows as needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Salaries, benefits, and payroll</td>
</tr>
<tr>
<td>Rent / Mortgage / Utilities / Phone</td>
</tr>
<tr>
<td>Property insurance / taxes</td>
</tr>
<tr>
<td>Liability insurance</td>
</tr>
<tr>
<td>Postage / supplies / equipment</td>
</tr>
<tr>
<td>Public relations / marketing</td>
</tr>
<tr>
<td>Membership / training / travel</td>
</tr>
<tr>
<td>Other (please specify)</td>
</tr>
<tr>
<td>Total Operational Expenses</td>
</tr>
</tbody>
</table>

Please explain any “other” expenses:
Need

Please explain why CHDO Operating Assistance is needed and how it will be used. Specifically, please address the CHDO’s financial need for this assistance in order to assure that the HOME-funded project can be successfully completed, and how not receiving operating assistance would create a hardship for your organization.

Please submit the enclosed certification form and attachments electronically to Dobson.Michael@horrycounty.org or mail one copy to:

Horry County Community Development
Attention: Michael Dobson,
Community Development Manager
1515 4th Ave
Conway, SC 29526

I certify that the submission of this application has been approved by at least a 2/3 Vote of the Organization’s Board of Directors.

________________________________________________________
Printed Name of Board President

________________________________________________________
Signature of Board President

________________________________________________________
Organization Name

________________________________________________________
Mailing Address