**APPLICATION FOR NON-PROFIT DEVELOPMENT ORGANIZATION (NDO) DESIGNATION**

Nebraska Department of Economic Development (DED)

# PART I. GENERAL INFORMATION

***TYPE OR PRINT ALL INFORMATION***

|  |  |
| --- | --- |
| **1. APPLICANT IDENTIFICATION**Applicant UEI # Contact Address City/State/Zip Telephone # Email Address  | **2. PERSON PREPARING APPLICATION**Name Address City/State/Zip Telephone # Email Address  |

**3. SUPPORTING DOCUMENTATION**

Corporate Charter/Articles of Incorporation

By-Laws

Certificate of Good Standing from Nebraska Secretary of State

Evidence of active registration in Federal System of Award Management (SAM)

Board Resolution identifying Low-to-Moderate Income (LMI) Board Representative

NDO Re-Use Plan and ratification resolution\

IRS 501(c)(3) letter, if applicable

Letter from Attorney verifying organization operating status and IRS status as 501(c)(4) or 501(c)(6), if applicable

Resumes of key staff (includes contracts with consultants)

**4. CERTIFYING OFFICIAL:**

The Certifying Official for a non-profit is the official authorized by the governing body to sign applications for state and federal funding. If the Certifying Officer is not the Board President or Board Chair, attach the authorizing documentation of the governing body for the certifying official to sign the application.

To the best of my knowledge and belief, data and information in this application are true and correct. All previously submitted documentation has not been changed since submittal. The governing body of the applicant has duly authorized this application.

Signature of Certifying Official Printed Name and Title Date

**SUBMIT THE ENTIRE APPLICATION AS AN ELECTRONIC MAIL ATTACHMENT TO:**

tom.stephens@nebraska.gov

A confirmation of receipt of the application will be sent via e-mail. If you do not receive a confirmation, please contact Tom Stephens at 402-471-6587 and accommodations will be made to facilitate the application process.

If you have any concerns please contact Tom Stephens, your NDO representative.

# PART II. REQUIREMENTS FOR DESIGNATION AS A NDO

Requirements are in four areas: 1) legal status; 2) organizational structure; 3) capacity and experience; and 4) financial standards.

##  1. LEGAL STATUS

1. The Organization has the legal ability to operate in Nebraska and is maintaining its status.

There is no required documentation to be submitted. Department staff will verify with the Nebraska Secretary of State at <https://www.nebraska.gov/sos/corp/corpsearch.cgi?nav=search>. Please check that the organization is listed and identified as in Good Standing prior to the application submission.

1. The organization must serve a clearly defined geographic service area within the State of Nebraska. Eligible organizations include: 1) Development districts or an entity identified by a Development District that serves the same or similar area; 2) county-wide economic development groups in counties with a population of 20,000 or greater; or 3) the Department will designate statewide entity (currently Invest Nebraska, Inc.).

*Note: the organization may serve areas outside of Nebraska or have no defined service area for other areas of business; however, a service area within Nebraska must be defined for the purposes of NDO designation.*

1. One of the purposes of this organization is to engage in community economic development activities which are intended to lead to an improvement of the physical, economic, or social environment of its geographic area of operation by addressing one or more of the critical problems of the area with attention to the needs of persons with low-to-moderate income.
2. No part of the organization’s earnings may benefit any members, founders, contributors, or individuals. This limitation must be stipulated in your By-Laws.

1. The organization is a qualified non-profit development group that meets the requirements of the Housing and Community Development Act 105(a)(15). This requirement must be stipulated in your By-Laws, in addition to the letter below.

 **Letter from an Attorney verifying that the organization operates as one of the following:**

non-profit Small Business Investment Company organized under 15 USC Section 681

non-profit SBA Section 504 Certified Development Company

non-profit Community Action Agency

non-profit Community Development Corporation

non-profit Local Development Corporation

1. The organization meets an IRS definition of a non-profit.

 **Letter from IRS for either final or conditional designation as a 501(c)(3), 501(c)(4) or 501(c)(6):**

OR

 **Letter from an Attorney verifying that the organization operates as one of the following:**

*(Letter from Attorney may be combined with letter required in section E. listed above)*

501(c)(4)

501(c)(6)

##  2. ORGANIZATIONAL STRUCTURE

A NDO board must meet both of the following two criteria:

* 1. **Low- to moderate- income (“LMI”) representation:** a minimum of one board member must represent or serve LMI persons.
		+ This representation requirement must be stipulated in your By-Laws.
		+ Include a Board Resolution identifying your LMI Representative.
		+ LMI is defined as persons with income 80% of the area’s median income per the United States Department of Housing and Urban Development (HUD). LMI Representatives examples:
		+ Owners or senior officers of private establishments and other institutions **-** located in a LMI geographic area and/or serving LMI persons; clergy; members of non-profit organizations that deliver services to LMI persons; OR
		+ Representatives of low- and moderate-income neighborhood organizations – located in its geographic area of operation
	2. **Public Sector/State representation:** a maximum of one-third of the board may be representatives of the State.
		+ The organization must clearly commit to a governing board structure that includes LMI representation and no more than one-third public sector representatives, as evidenced by By-Laws, Charter, or Articles of Incorporation. This requirement must be stipulated in your By-Laws.
		+ Members of the NDO Board appointed by public officials of the State cannot select other members of the Board
		+ Public Sector Representatives (Examples)
			- * Elected Officials – State legislators and State office holders.
				* Appointed Officials – members of any regulatory and/or advisory board or commission that are appointed by elected State officials.
				* Public Employees – all employees of State government.
				* Appointed to the NDO Board by a Public Official of the State – any individual who is not necessarily a public official of the State, but has been appointed by a public official from the State to serve on the NDO board.

##  3. CAPACITY

NDOs must demonstrate experience and their capacity to carry out the economic development activities they are planning. For the purposes of this requirement, staff includes but is not limited to: individuals employed by the organization or a contract between the organization and an affiliated organization to provide staff. This means the NDO must have at least one of the following:

1. Experienced key staff that have successfully completed projects similar to those proposed by the NDO.
2. Staff with limited or no experience, and who will work with an experienced consultant under a plan in place to train the new staff.
3. The organization will hire staff with the required experience.

**Submit resumes and/or statements that describe the experience of key staff members and copies of any contracts with consultants to train key staff members or contracted staff from affiliated organizations.**

##  4. FINANCIAL REQUIREMENTS

NDOs must have financial accountability standards stipulated in the By-Laws including:

1. Records that adequately identify the source and application of funds. These records shall contain information pertaining to awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest.
2. Effective control over and accountability for all funds, property, and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
3. Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.
4. DED, Federal HUD auditors, Nebraska Department of Labor, the US Inspector General, and the Nebraska Auditor of Public Accounts can review financial records at any time.
5. If audited financial documents (as certified by a Certified Public Accountant) are completed, the NDO will share the report with DED.

**5. NDO REUSE PLAN**

Eligible NDOs must have an approved NDO Reuse Plan. At a minimum, the plan must contain the following:

1. Geographic service area
2. Eligible businesses
3. Eligible activities
4. Types of assistance
5. Amounts of assistance
6. Application process
7. Terms of assistance
8. Approval process
9. Amendment procedures, including Department approval
10. Priority ranking system, if applicable
11. Conflict of interest clause
12. Grievance procedures
13. Administration
	* Funds must be loaned and not granted to a business for the purpose of community economic development.
	* Loans can be forgiven, if allowed by the NDO’s Reuse plan.
	* Funds may be granted to a community to be used for public works infrastructure that promotes economic development.
	* Funds may not be used for operating expenses of the Community or the NDO although a reasonable amount, not to exceed 8% per year, may be used by the NDO for administration
	* Loan origination fees to be used for the purpose of administration could be charged when a loan is generated.

**Submit a copy of the board approved NDO Reuse Plan, including proof of board ratification/resolution**



**EXHIBIT A**

**Stipulation For Development Districts Organizational Structure**

Insert the name of your organization here and print on letterhead.

**Organizational Structure**

The organization intends to operate an NDO reuse revolving loan fund and acknowledges that these funds originated from the Community Development Block Grant program that was intended to benefit low- to moderate-income (LMI) persons. The organization further agrees with the stipulation that the structure of the board of directors will reflect representation of that LMI population either directly or indirectly as stated in the “Organizational Structure / *Low- Income Representation*” section of the Application For NDO Designation form, **or** will be structured so as to meet the requirements of the Economic Development Administration (EDA).

The Board’s composition is governed by the requirements of the Economic Development Administration (EDA).

Signature

Print Name Title

Enter the Date Here [mm/dd/yyyy]

7 Revised Nov 2022