NONPROFITS AND BUSINESSES WORKING TOGETHER TO BUILD HAPPY COMMUNITIES

Pennsylvania Neighborhood Assistance Program



Pennsylvania's Neighborhood Assistance Program (NAP) provides substantial support for neighborhoods and communities across Pennsylvania. The program helps nonprofits (501(c)(3)) complete vital community projects by providing tax credits to businesses that provide contributions to those projects. In this way, NAP encourages and strengthens partnership between the private,

nonprofit, and public sectors and helps put communities on the right track to self-sufficiency.

NAP COMPONENTS

DCED offers the following types of NAP assistance depending on the type of project seeking an award.

Neighborhood Assistance Program

A project must serve distressed areas or support neighborhood conservation. Projects must fall under one of the following categories: affordable housing programs, community services, crime prevention, education, job training or neighborhood assistance. A tax credit of 55% can be awarded.

Neighborhood Partnership Program (NPP)

Long-term collaborations (five years or more) of business, government and community leaders to produce a comprehensive, asset-based and relationship-driven approach to community development. A tax credit of 75% or 80% can be awarded based on the length of the program (*Please refer to the guidelines for more information*).

Special Program Priorities (SPP)

This program targets on specific problems and projects which the state has designated as priorities (see NAP/SPP guidelines for a full list of priorities including affordable housing, blight remediation, diversity initiatives, and initiatives for vulnerable and at-risk populations) in a distressed area. The tax benefit to a business firm contributing to an approved SPP application would be eligible for a 75% tax credit.

Charitable Food Program (CFP)

The Charitable Food Program (CFP) component of NAP is focused on improving food security in Pennsylvania. CFP assists charitable programs that provide food to low-income populations in distressed areas. A tax credit of 55% can be awarded.

WHY NAP?

- NAP projects help revitalize and energize Pennsylvania communities by improving access to education and job training, reducing poverty and hunger, lowering crime, and so much more.
- Through NAP, businesses can receive up to 80 percent tax credits on their contributions to a community project, which makes it an attractive option for nonprofits looking for private funding sources to complete community projects in low-income and distressed neighborhoods.
- NAP helps form strong, lasting partnerships between the nonprofit and private sectors – a crucial component of any thriving neighborhood.

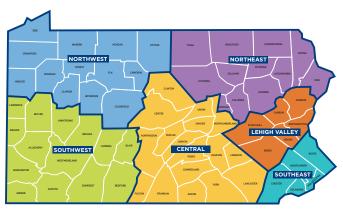


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HOW IT WORKS

- 1. Any nonprofit (501(c)(3)) interested in or seeking more information about NAP should contact their DCED regional director who can walk the organization through the program and answer any questions they may have.
- 2. After identifying a project for funding, the nonprofit solicits support from potential corporate funders.
- 3. Nonprofits then obtain a commitment letter from businesses that agreed to fund the project. The letter must indicate the business will provide a specific contribution to a community project if the nonprofit organizing the project is approved for NAP tax credits.
- 4. During the next NAP application period, the nonprofit will submit an electronic application to DCED. The applicant must document they have capacity to complete the project, confirm business collaborations, demonstrate the need for the project, and provide all required documentation to DCED upon application.
- 5. DCED will review all applications and announce awards.
- 6. If a project is awarded, businesses must make their contributions to the awarded nonprofits by the end of the state fiscal year (SFY) in which the credits were awarded (end of the SFY is June 30). Nonprofits can then execute the project.
- 7. The nonprofit is required to submit a report to DCED by December 31 documenting community impact measures, project accomplishments, and any success stories related to the project.



MORE INFORMATION

More details and program guidelines can be found at <u>dced.pa.gov/nap</u>.

Interested nonprofits should talk to their DCED regional directors for more information and to help find private funders for their projects.

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