

NEW YORK STATE DIVISION OF VETERANS' SERVICES VETERANS' NONPROFIT CAPITAL PROGRAM (VNCP)

Questions and Answers

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NOTE: Letters of support from representatives do not need to be uploaded as part of the application process.

Frequently Asked Questions

Veterans' organizations are strongly encouraged to review the Frequently Asked Questions (FAQs) for additional information prior to applying. The FAQs are located within the Request for Grant Applications.

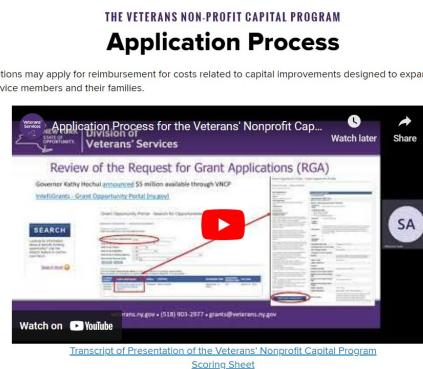
Key Dates

KEY DATES

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|---|--------------------------------------|
| Eligible Project Start & End Date Range | April 1, 2023 – April 1, 2027 |
| Issuance of RGA | November 11, 2022 |
| Webinar (application process) | January 12, 2023 |
| Recorded Video & PowerPoint Presentation (application process) | December 19, 2022 |
| Deadline for RGA Questions | January 31, 2023 |
| Post Responses to RGA Questions (not earlier than) | February 15, 2023 |
| Application Due By | March 31, 2023 |
| Awards Expected (not earlier than) | June 1, 2023 |
| Deadline for Reimbursement Submission & Processing | April 1, 2028 |

Pre-Recorded Webinar Presentation

There is a presentation located on the New York State Division of Veterans' Services [website](#) (about halfway down on the main webpage) that provides guidance on applying for the VNCP opportunity.



Eligible Entity Questions

Veterans' organizations for purposes of the Request for Grant Applications (RGA) means any not-for-profit organization which is organized to do business within the State whereby either the membership consists of individuals who were members of the armed services or forces of the United States and/or which the main purpose of the organization is to benefit members of the armed services or forces of the United States. Such organizations should be formally incorporated as a not-for-profit organization under the Internal Revenue Code section 501(c) which includes two subsections [501(c)(19) and 501(c)(23)] which provide for tax-exemption under section 501(a) for organizations that benefit veterans of the United States Armed Forces.

Veterans' organizations shall have been in existence in New York State for five years and are in good standing with the State.

Veterans' organizations should be formally incorporated as a not-for-profit organization under the Internal Revenue Code Section 501(c) which includes two subsections [501(c)(19) and 501(c)(23)] which provide for tax-exemption under section 501(a) for organizations that benefit veterans of the United States Armed Forces.

Veterans' organizations that are not specifically incorporated under 26 USC 501(c)(19) or (23) [details below] can still be eligible so long as their membership contains the following individuals:

- at least 75 percent of the members of which are past or present members of the Armed Forces of the United States and substantially all of the other members of which are individuals who are cadets or are spouses, widows, widowers, ancestors, or lineal descendants of past or present members of the Armed Forces of the United States or of cadets,
- more than 75 percent of the members of which are present or past members of the Armed Forces and a principal purpose of which is to provide insurance and other benefits to veterans or their dependents.

26 USC 501(c)(19) “A post or organization of past or present members of the Armed Forces of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization—

(A) organized in the United States or any of its possessions,

(B) at least 75 percent of the members of which are past or present members of the Armed Forces of the United States and substantially all of the other members of which are individuals who are cadets or are spouses, widows, widowers, ancestors, or lineal descendants of past or present members of the Armed Forces of the United States or of cadets, and

(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual.”

26 USC 501(c)(23) “Any association organized before 1880 more than 75 percent of the members of which are present or past members of the Armed Forces and a principal purpose of which is to provide insurance and other benefits to veterans or their dependents.”

Q1. Is our organization eligible?

A1. Applicants are advised to consult with their attorney, accountant, tax advisor, and/or reach out to the Internal Revenue Service (IRS) to determine eligibility as well as whether or not the veterans’ organization can meet the requirements outlined in Section 8 of the RGA and also eligible entity excerpt above. The veterans’ organization awarded the VNCP funds must be the organization entering into the contracts, paying the vendors as well as who has site control over the project location.

Q2. Our veterans’ organization is incorporated under one tax identification number and we have a separate not-for-profit veterans’ auxiliary their own separate tax identification number. May both apply for the VNCP funding?

A2. So long as the veterans’ organization satisfies all the criteria set forth in the Request for Grant Applications (RGA), the two organizations could each apply for VNCP funding. Applicants are advised to consult with their attorney to determine eligibility.

Q3. What does it meant to have 15 “active Members”?

A3. Active members are defined as members who serve on the entity’s board of directors or leadership team, or who do fundraising or run entity events or who participate in the business of the entity.

Q4. I have a question regarding the following wording of the below requirements:

a) Number of official members of the organization:

| | | | | | |
|--------------------|------|------|------|------|------|
| New Members: | 2022 | 2021 | 2020 | 2019 | 2018 |
| Returning Members: | 2022 | 2021 | 2020 | 2019 | 2018 |
| Total Membership: | 2022 | 2021 | 2020 | 2019 | 2018 |

b) Of the official members:

How many are Active or former Members of the Armed Forces of the United States?

How many are cadets in the Armed Forces of the United States?

How many are spouses, widows, widowers, ancestors or lineal descendants of past or present Members of the Armed Forces of the United States or of Cadets?

c) Percentage of Members Actively Participating in events or meetings: _____

We are a non-profit Veterans Organization that provides direct care services to homeless Veterans. Would the term 'member' in this RFP be the number of Veterans served? Or would you consider this to mean something else?

A4. See responses to Q1 and Q3 above.

Eligible Project Questions

Q1. Would a LED scrolling sign showing events, seminars and advertising benefits for veterans qualify?

A1. On its surface a LED scrolling sign showing events, seminars and benefits may meet the requirements. The organization would need to provide supporting documentation that would confirm the sign would be in an area where the veterans' organization has control over the site and the sign has a useful life of more than 10 years.

Q2. Currently, our post owns its own property which has an approximately 6,400 square foot parking lot on it. Presently, this lot is in terrible condition and presents a safety hazard to all. Our application will contain the needed information to have it repaved. Also, directly adjacent to the parking lot is a retaining wall whose top is flush with our property but drops off into our neighbor's yard. This is another substantial safety hazard that we would like to eliminate by installing a new chain link fence along the wall.

Our question specifically is – because these two projects are related safety issues and could present liability problems for us, can we combine the repaving of the parking lot and the installation of a chain link fence as one project on our application?

A2. The Request for Grant Applications (RGA) states that each veterans' organization may apply for **one (1)** VNCP award for one project that may consist of multiple areas of their facility (i.e., kitchen, community room and HVAC). On its surface combining the repaving and fence appear to be related and do not appear to be problematic, however, the post should consult with their attorney to be sure proper site control is in place then upload the necessary backup documentation with the application.

Q3. When we have a start date for construction, how long does the construction have to take? Can the construction be split up during the months?

A3. The Request for Grant Applications (RGA) expressly states that the eligible capital project must be completed between April 1, 2023, and April 1, 2027. Once there is a fully executed contract,

a Grantee would then submit requests for reimbursement as the capital project progresses and will need to be done submitting requests for reimbursement prior to April 1, 2028.

Q4. If a veterans' organization has multiple sites throughout NYS, may the organization submit an application for one or another location or multiple locations?

A4. Each veterans' organization may apply for **one (1) VNCP** award for one project that may consist of multiple areas of their facility (i.e., kitchen, community room and HVAC).

Q5. Our organization is developing a new affordable & supportive housing project which some of the units will be reserved for veterans eligible for supportive services and will be funded through NYS' ESSHI program. Would the creation of these housing units be an appropriate fit for the VNCP funding? We want to confirm that VNCP can be applied generally to residential construction costs or whether VNCP aims to fund specific capital costs (e.g., the specified costs to pave a parking lot, construct the roof, install windows).

A5. As outlined in the Request for Grant Applications (RGA, page 3) VNCP funds may only be used for:

- Design, construction, reconstruction, rehabilitation or expansion of an Eligible Facility;
- Purchase of equipment for an Eligible Facility, provided the equipment has a useful life of 10 years or more;
- Certain construction soft costs including architectural, engineering & design.

NOTE: Capital projects, such as the one described, tend to involve tax credits. If a project such as this is being considered, please also refer to question 2 in the Budget Questions below.

Q6. We are trying to raise funding for the purchase of a replacement bus to transport aged and wheelchair-bound veterans of World War II and the Korean War to and from the airport. The current bus is an old, converted school bus that has reached its end of life many times over. Would we be able to purchase a bus with VNCP funds?

A6. No, the Frequently Asked Questions (FAQs, page 9) specifically state the purchase of a vehicle is not a VNCP eligible expense.

Q7. Our American Legion is in the beginning phases of undertaking a Veteran's support and recognition project in the Village. The project consists of two parts described as follows:

Part I - The Legion intends to replace the existing blacktop sidewalks in the Village Part with masonry pavers that will be engraved with Veterans names and be title the "Community Walkway of Honor".

Part II - From the Village Park a "Veterans Walkway Path" will be constructed along the River within the Village limits for approximately 0.6 tenths of a mile and connecting to a Town park adjacent to the Village limits.

Before moving ahead with the Veterans RGA application we want to be sure that this project falls within the "Eligible use of Funds" as described in RGA guidance we have received?

- A7. On its surface the two phases of this project appear to be capital, however, the American Legion should consult with their attorney to be sure proper site control is in place and upload the necessary backup documentation with the application.

Site Control Questions

- Q1. Our organization does not own or lease a facility, rather we rent space for our facility. Would we be eligible to apply for this funding?

- A1. If the Grantee leases or rents the facility, DVS will need to review the executed lease or rental agreement. ***The term of the lease or rental agreement must be for at least ten (10) years from the time of the VNCP award or through at least April 1, 2033.*** If necessary, as noted in the Frequently Asked Questions (FAQs, page 6), all Applicants are encouraged to work with their landlords to obtain a lease or rental agreement extension prior to submitting their VNCP application.

In addition, if a condition of the lease or rental agreement is to obtain Landlord permission prior to work being completed on or in the facility, know then that the Landlord permission will be a term and condition to the execution of the contract and must be acquired prior to execution. Ideally, this permission letter should be included with the VNCP application.

- Q2. Does the Vets' Org need to own the building they are renovating/can they be in the process of purchasing the building and still apply?

- A2. The Grantee should be the veterans' organization that will be entering into the contracts, paying the vendors and will have control over the site. Initially a contract of sale should be provided with the application submitted, however, a deed will need to be provided prior to executing the contract.

- Q3. What is the definition of an "eligible facility"?

- A3. An eligible facility is the location where the capital project will be undertaken by the Grantee and whereby the Grantee has the proper site control over that location (own, lease/rent or other legal document evidencing such).

Budget Questions

- Q1. Due to constant price fluctuations, which always seem to fluctuate up, if I get an estimate to submit towards this grant opportunity and the cost rises before the grant might be approved next summer is there a tolerance built into the grant to cover those rising costs? If we apply for \$25,000 in funding and get approved for the same amount but the actual cost of the project has risen to \$30,000 is our Post on the hook for the extra \$5,000?

- A1. A qualified professional may include a contingency (or buffer) for any increase in cost(s) or unforeseen cost(s). The grant award would not be increased, and the veterans' organization would be responsible for any cost above the grant award to complete the capital project.
- Q2. Our application would likely target the maximum award of \$75,000 that would be applied to the project's construction costs. VNCP funding would supplement funding from tax credit and other funding sources. Is it appropriate to include VNCP funding as part of a multi-million dollar construction budget?
- A2. It is often difficult to reconcile the requirements of the tax credit programs with a grant program such as the Veterans' Nonprofit Capital Program. For example, VNCP requires the named Grantee to incur costs related to the funded project and to retain ownership of the funded project. Many tax credit programs require title to be held in the name of a related organization and project costs are paid out of a corpus held in the name of a party other than the Grantee. The VNCP grant funds may not be used as part of the corpus, but may be used to fund a fully functional, fully funded component of the overall project that meets all other program requirements. It is strongly recommended to choose a project that is not part of a tax credit structure.
- Q3. Our organization has several eligible capital projects that are in need of being funded. We understand that our organization would be responsible for paying for any costs above the grant award and that a financial analysis would be conducted to verify sufficient funds have been secured to complete the project. As we have several capital projects that would improve our facility and meet the eligibility criteria, would applications seeking the maximum amount of \$75,000 spread over several projects (for instance: parking lot renovation, pavilion construction, and a handicap accessible outdoor restroom) be rejected if the financial analysis reveals we only have on hand funds in the amount of \$15,000? In this scenario of the parking lot, pavilion and restroom if we were only awarded \$25,000 could we still be awarded a grant and then only undertake the project(s) that we can pay based on the award and our own available funds?
- A3. Each veterans' organization may apply for **one (1)** VNCP award for one project that may consist of multiple areas of their facility (i.e., kitchen, community room and HVAC). The cost estimates provided with your application should outline the overall cost of the project and the veterans' organization will be responsible for the difference. There is no requirement that the excess funds must be secured by April 1, 2023, however, the Applicant will need to demonstrate the ability to provide the remainder of the funds necessary to complete the project once the VNCP funds have been awarded. Please note that there is no match requirement for this program and the grant may fully fund the project(s).

If the Applicant is uncertain if they will have the additional funds above the VNCP funding to complete the project, the Applicant may want to submit an application for a smaller award to fund a smaller project.

Contract Questions

- Q1. Is there an option to be paid by the grant upon submitting an invoice after work has been completed so that we can then pay the contractor or is the grant strictly reimbursement based and we have to lay out the money up front and get reimbursed by the grant later?
- Q2. In the Frequently Asked Questions it states, “you must incur project costs and have paid those expenses **OR** have been invoiced by your contractor for work actually completed before receiving reimbursement”. My question is, can a requisition for completed contractor invoiced work be submitted before we actually make payment to our contractor?
- A1 & 2. The executed contract will outline the request for reimbursement process. The details regarding the payment and reimbursement process have not been fully worked out at this time. This response will be updated if more information becomes available before the application date.

General Questions

- Q1. Will VNCP funds be available in future years?
- A1. The only funds available at this time are based on the 2022-2023 NYS Budget.
- Q2. In the Application, where do I find our veterans’ organization DVS Region #?
- A2. Please disregard this question as there are no such region numbers at this time.