



## Exempt Action Final Regulation Agency Background Document

<b>Agency name</b>	State Board of Social Services
<b>Virginia Administrative Code (VAC) citation</b>	22VAC40-41
<b>Regulation title</b>	Neighborhood Assistance Tax Credit Program
<b>Action title</b>	<i>Application Period for Neighborhood Assistance Program</i>
<b>Final agency action date</b>	<i>April 17, 2014</i>
<b>Document preparation date</b>	<i>March 26, 2014</i>

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Summary

*Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

Changes are necessary to conform the Neighborhood Assistance Program (NAP) regulation to legislation passed by the General Assembly in 2013 and 2014.

House Bill 1179 and Senate Bill 591 (Chapters 0047 and 0189 of the 2014 Acts of Assembly): will allow a non-profit organization to submit the audit, review or compilation within 30-days immediately following the proposal deadline to be considered timely filed, as long as the proposal was otherwise complete by the deadline.

Senate Bill 1009 (Chapter 802 of the 2013 Acts of Assembly): 1) added the requirement "as a prerequisite for approval, neighborhood organizations with total revenues (including the value of all donations) (i) in excess of \$100,000 for the organization's most recent year ended provide, as applicable, an audit or review for such year performed by an independent certified public accountant or (ii) of \$100,000 or less for the organization's most recent year ended, provide a compilation for such year performed by an independent certified public accountant"; 2) added

the requirement “in order for a proposal to be approved, the applicant neighborhood organization and any of its affiliates shall meet the requirements of the application regulations”.

The Neighborhood Assistance Act Tax Credit Program (NAP) is a state tax credit program that was established by the General Assembly in 1981. NAP uses tax credits as an incentive for businesses, trusts, and, with certain restrictions, individuals, to make donations to eligible non-profit organizations whose primary function is providing services to a low-income person or an eligible student with a disability.

### Statement of final agency action

*Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.*

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The State Board of Social Services took final action on 22VAC40-41, Neighborhood Assistance Tax Credit Program, on April 17, 2014.

### Family impact

*Assess the impact of this regulatory action on the institution of the family and family stability.*

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The regulation has no direct impact on families and family stability. It impacts NAP approved nonprofit organizations and their donors. Services provided by these nonprofit organizations have a positive impact on the institution of the family and family stability.