

Before Starting the Project Application

To ensure that the Project Application is completed accurately, ALL project applicants should review the following information BEFORE beginning the application.

Things to Remember:

- Additional training resources can be found on the HUD Exchange at <https://www.hudexchange.info/e-snaps/guides/coc-program-competition-resources>.
- Program policy questions and problems related to completing the application in e-snaps may be directed to HUD the HUD Exchange Ask A Question.
- Project applicants are required to have a Data Universal Numbering System (DUNS) number and an active registration in the Central Contractor Registration (CCR)/System for Award Management (SAM) in order to apply for funding under the Fiscal Year (FY) 2018 Continuum of Care (CoC) Program Competition. For more information see FY 2018 CoC Program Competition NOFA.
- To ensure that applications are considered for funding, applicants should read all sections of the FY 2018 CoC Program NOFA and the FY 2018 General Section NOFA.
- Detailed instructions can be found on the left menu within e-snaps. They contain more comprehensive instructions and so should be used in tandem with onscreen text and the hide/show instructions found on each individual screen.
- New projects may only be submitted as either Reallocated or Permanent Supportive Housing Bonus Projects. These funding methods are determined in collaboration with local CoC and it is critical that applicants indicate the correct funding method. Project applicants must communicate with their CoC to make sure that the CoC submissions reflect the same funding method.
- Before completing the project application, all project applicants must complete or update (as applicable) the Project Applicant Profile in e-snaps.
- HUD reserves the right to reduce or reject any new project that fails to adhere to (24 CFR part 578 and application requirements set forth in FY 2018 CoC Program Competition NOFA.

1A. SF-424 Application Type

1. Type of Submission:

2. Type of Application: New Project Application

If Revision, select appropriate letter(s):

If "Other", specify:

3. Date Received: 08/09/2018

4. Applicant Identifier:

5a. Federal Entity Identifier:

6. Date Received by State:

7. State Application Identifier:

1B. SF-424 Legal Applicant

8. Applicant

a. Legal Name: Fairview Housing Management Corporation

b. Employer/Taxpayer Identification Number (EIN/TIN): 54-1028264

	c. Organizational DUNS:	847834561	PLUS 4:	
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d. Address

Street 1: 116 W. Walnut Street

Street 2: PO Box 5746

City: Johnson City

County: Washington

State: Tennessee

Country: United States

Zip / Postal Code: 37604

e. Organizational Unit (optional)

Department Name: Housing

Division Name:

f. Name and contact information of person to be contacted on matters involving this application

Prefix: Mrs.

First Name: Valerie

Middle Name:

Last Name: Brown

Suffix:

Title: Program Administrator

Organizational Affiliation: Fairview Housing Management Corporation

Telephone Number: (423) 434-9310

Extension:
Fax Number: (866) 413-6261
Email: fairviewhousing@yahoo.com

1C. SF-424 Application Details

9. Type of Applicant: M. Nonprofit with 501C3 IRS Status

10. Name of Federal Agency: Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Title: CoC Program

CFDA Number: 14.267

12. Funding Opportunity Number: FR-6200-N-25

Title: Continuum of Care Homeless Assistance Competition

13. Competition Identification Number:

Title:

1D. SF-424 Congressional District(s)

14. Area(s) affected by the project (state(s) only): Tennessee
(for multiple selections hold CTRL key)

15. Descriptive Title of Applicant's Project: FHMC 2018 New

16. Congressional District(s):

a. Applicant: TN-001

b. Project: TN-001

(for multiple selections hold CTRL key)

17. Proposed Project

a. Start Date: 07/01/2019

b. End Date: 06/30/2020

18. Estimated Funding (\$)

a. Federal:

b. Applicant:

c. State:

d. Local:

e. Other:

f. Program Income:

g. Total:

1E. SF-424 Compliance

19. Is the Application Subject to Review By State Executive Order 12372 Process? b. Program is subject to E.O. 12372 but has not been selected by the State for review.

If "YES", enter the date this application was made available to the State for review:

20. Is the Applicant delinquent on any Federal debt? No

If "YES," provide an explanation:

1F. SF-424 Declaration

By signing and submitting this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete, and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

I AGREE:

21. Authorized Representative

Prefix: Mr.

First Name: Robert

Middle Name:

Last Name: Garrett

Suffix:

Title: President

Telephone Number: (423) 929-8656
(Format: 123-456-7890)

Fax Number: (866) 413-6261
(Format: 123-456-7890)

Email: bgarrett@fairviewhousing.org

Signature of Authorized Representative: Considered signed upon submission in e-snaps.

Date Signed: 08/09/2018

1G. HUD 2880

Applicant/Recipient Disclosure/Update Report - Form 2880
U.S. Department of Housing and Urban Development
OMB Approval No. 2510-0011 (exp.11/30/2018)

Applicant/Recipient Information

1. Applicant/Recipient Name, Address, and Phone

Agency Legal Name: Fairview Housing Management Corporation

Prefix: Mr.

First Name: Robert

Middle Name:

Last Name: Garrett

Suffix:

Title: President

Organizational Affiliation: Fairview Housing Management Corporation

Telephone Number: (423) 929-8656

Extension:

Email: bgarrett@fairviewhousing.org

City: Johnson City

County: Washington

State: Tennessee

Country: United States

Zip/Postal Code: 37604

2. Employer ID Number (EIN): 54-1028264

3. HUD Program: Continuum of Care Program

4. Amount of HUD Assistance Requested/Received: \$89,780.00

(Requested amounts will be automatically entered within applications)

5. State the name and location (street address, City and State) of the project or activity.

Refer to project name, addresses and CoC Project Identifying Number (PIN) entered into the attached project application.

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? Yes
(For further information, see 24 CFR Sec. 4.3).

2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9. No

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional nondisclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

I AGREE:

Name / Title of Authorized Official: Robert Garrett, President

Signature of Authorized Official: Considered signed upon submission in e-snaps.

Date Signed: 07/18/2017

1H. HUD 50070

HUD 50070 Certification for a Drug Free Workplace

Applicant Name: Fairview Housing Management Corporation

Program/Activity Receiving Federal Grant Funding: CoC Program

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:	
a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.	e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
b. Establishing an on-going drug-free awareness program to inform employees --- (1) The dangers of drug abuse in the workplace (2) The Applicant's policy of maintaining a drug-free workplace; (3) Any available drug counseling, rehabilitation, and employee assistance programs; and (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.	f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted --- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;	g. Making a good faith effort to continue to maintain a drugfree workplace through implementation of paragraphs a. thru f.
d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will --- (1) Abide by the terms of the statement; and (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;	

2. Sites for Work Performance.

The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)
 Workplaces, including addresses, entered in the attached project application.
 Refer to addresses entered into the attached project application.

I hereby certify that all the information stated herein, as well as any information provided in

X

the accompaniment herewith, is true and accurate.



Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Authorized Representative

Prefix: Mr.

First Name: Robert

Middle Name

Last Name: Garrett

Suffix:

Title: President

Telephone Number: (423) 929-8656
(Format: 123-456-7890)

Fax Number: (866) 413-6261
(Format: 123-456-7890)

Email: bgarrett@fairviewhousing.org

Signature of Authorized Representative: Considered signed upon submission in e-snaps.

Date Signed: 08/09/2018

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file

the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate:

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Applicant's Organization: Fairview Housing Management Corporation

Name / Title of Authorized Official: Robert Garrett, President

Signature of Authorized Official: Considered signed upon submission in e-snaps.

Date Signed: 08/09/2018

1J. SF-LLL

DISCLOSURE OF LOBBYING ACTIVITIES
Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352.
Approved by OMB0348-0046

HUD requires a new SF-LLL submitted with each annual CoC competition and completing this screen fulfills this requirement.

Answer "Yes" if your organization is engaged in lobbying associated with the CoC Program and answer the questions as they appear next on this screen. The requirement related to lobbying as explained in the SF-LLL instructions states: "The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action."

Answer "No" if your organization is NOT engaged in lobbying.

Does the recipient or subrecipient of this CoC grant participate in federal lobbying activities (lobbying a federal administration or congress) in connection with the CoC Program? No

Legal Name: Fairview Housing Management Corporation
Street 1: 116 W. Walnut Street
Street 2: PO Box 5746
City: Johnson City
County: Washington
State: Tennessee
Country: United States
Zip / Postal Code: 37604

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I certify that this information is true and complete.

X

Authorized Representative

Prefix: Mr.

First Name: Robert

Middle Name:

Last Name: Garrett

Suffix:

Title: President

Telephone Number: (423) 929-8656
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Email: bgarrett@fairviewhousing.org

Signature of Authorized Representative: Considered signed upon submission in e-snaps.

Date Signed: 08/09/2018

2A. Project Subrecipients

This form lists the subrecipient organization(s) for the project. To add a subrecipient, select the  icon. To view or update subrecipient information already listed, select the view  option.

Total Expected Sub-Awards:

Organization	Type	Sub-Award Amount
This list contains no items		

2B. Experience of Applicant, Subrecipient(s), and Other Partners

1. Describe the experience of the applicant and potential subrecipients (if any), in effectively utilizing federal funds and performing the activities proposed in the application, given funding and time limitations.

FHMC has 15 years of experience in managing the attached grants. FHMC consistently ranks in the top 30% of all State of Tennessee grantees. FHMC administers grants for project-based P&S housing, scattered site for families with disabilities, FEMA emergency shelter, ESG rapid rehousing and homeless prevention. Grant management utilizes HMIS, SAGE and the Emergency Food and Shelter Program software systems and web sites.

2. Describe the experience of the applicant and potential subrecipients (if any) in leveraging other Federal, State, local, and private sector funds.

FHMC leverages Federal, State, local, private rental income, donations and thrift store sales to maximize leveraged funds. Additionally, FHMC has more than 40 community partners that provide FHMC's clients a wide range of additional services such as free healthcare, mental health, dental, vision, legal, food, transportation and other essential resources.

3. Describe the basic organization and management structure of the applicant and subrecipients (if any). Include evidence of internal and external coordination and an adequate financial accounting system.

See attached FHMC Organizational Chart. FHMC was founded in 1970 and became a 501 (C) 3 not-for-profit in 1991. See attached FHMC FIN Accounting P&P for internal and external control.

4a. Are there any unresolved monitoring or audit findings for any HUD grants(including ESG) operated by the applicant or potential subrecipients (if any)? No

3A. Project Detail

1a. CoC Number and Name: TN-509 - Appalachian Regional CoC

1b. CoC Collaborative Applicant Name: Appalachian Regional Coalition on Homelessness

2. Project Name: FHMC 2018 New

3. Project Status: Standard

4. Component Type: Joint TH & PH-RRH

5. Does this project use one or more properties that have been conveyed through the Title V process? Yes

6. Is this new project application requesting to transition from eligible renewal project(s) that were awarded to the same recipient and fully eliminated through reallocation in the FY 2018 CoC Program Competition? (Section II.B.2. and Section III.C.3.q. of the FY 2018 NOFA). No

3B. Project Description

1. Provide a description that addresses the entire scope of the proposed project.

Our Program will target and prioritize individuals with the highest needs, including those who: Are unsheltered, have been homeless for a long time; Are most vulnerable to violence or harm; and Have the highest barriers to accessing and maintaining permanent housing. Our Consumers are referred to us by utilizing the coordinated entry system to ensure that individuals or families with the highest need are prioritized. Participants can use the system through a “no wrong door” approach because all agencies will connect people to the system.. Once admitted into the program we will assist immediately with entering them into transitional housing program that is already created. Fairviewhousing has 15 years experience in working with transitional housing through partnership with The Department of Housing and Urban Development and has a 97% success rate with our clients transitioning to stability and remaining housed. Our program has no requirements to take part in treatment or services to receive help; and Low barriers to entry (including being able to accommodate youth, individuals with pets and individuals and partners) Incorporating clients-choice, in both finding permanent housing and in determining when to exit crisis housing. Meaning the individual or youth decides when they are ready to move on to the RRH part of the model, not the program. FHMC will link clients to appropriate community resources to connect them to services in order to aid them in permanent sustainability. A housing plan will also be developed in conjunction with the client and will focus on goals that will increase income, sustainability, and self-determination. We will use a client centered approach in our case management. A case worker assists the families with securing the necessary resources to achieve their goals. Upon entry the client begins case management and continues with the individual from Transitional through Permeant supportive phase of the program, which will include a comprehensive needs assessment, addressing immediate needs, and development of a case plan and household budget. The RRH model provides the connection to resources, Services and support to assist Clients in stabilizing their situations, problem solve, connect to both caring people and resources in the community, and develop the skills that are important to them and long term success. The program is based on the client’s needs with some needing more support than others and unit turn over may vary from as little as 90 days of support to 12 Months or longer this is especially challenging for youth making the transition from homelessness,. Progressive Engagement includes providing the minimum assistance necessary to assist a household in establishing permanent housing and reassessing their needs for financial assistance on a routine and consistent basis.

2. For each primary project location or structure in the project, enter the number of days from the execution of the grant agreement that each of the following milestones will occur as related to CoC Program funds requested in this project application. If a milestone is not applicable, leave the associated fields blank. If the project has only one location or structure, or no structures, complete only column A. If multiple

structures, complete one column for each structure.

Note: To expend funds within statutorily required deadlines, project applicants must be able to begin assistance within 12 months of conditional award. The one exception is for applicants who are conditionally awarded sponsor-based and project-based rental assistance. These conditional award recipients will have 24 months to execute a grant agreement; however, HUD encourages all recipients conditionally awarded funds to begin assistance within 12 months. The estimated schedule should reflect these statutorily required deadlines.

Project Milestones	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement
	A	B	C	D
New project staff hired, or other project expenses begin?	30			
Participant enrollment in project begins?	30			
Participants begin to occupy leased units or structure(s), and supportive services begin?	30			
Leased or rental assistance units or structure, and supportive services near 100% capacity?	90			
Closing on purchase of land, structure(s), or execution of structure lease?	0			
Rehabilitation started?	0			
Rehabilitation completed?	0			
New construction started?	0			
New construction completed?	0			

3. Will your project participate in a CoC Coordinated Entry Process? Yes

*** 4. Please identify the project's specific population focus.**
 (Select ALL that apply)

Chronic Homeless	<input checked="" type="checkbox"/>	Domestic Violence	<input checked="" type="checkbox"/>
Veterans	<input checked="" type="checkbox"/>	Substance Abuse	<input checked="" type="checkbox"/>
Youth (under 25)	<input checked="" type="checkbox"/>	Mental Illness	<input checked="" type="checkbox"/>
Families	<input checked="" type="checkbox"/>	HIV/AIDS	<input checked="" type="checkbox"/>
		Other (Click 'Save' to update)	<input checked="" type="checkbox"/>

Other: LGBTQ

5. Housing First

a. Will the project quickly move participants into permanent housing Yes

b. Does the project ensure that participants are not screened out based on the following items? Select all that apply.

Having too little or little income	<input checked="" type="checkbox"/>
Active or history of substance use	<input checked="" type="checkbox"/>
Having a criminal record with exceptions for state-mandated restrictions	<input checked="" type="checkbox"/>
History of victimization (e.g. domestic violence, sexual assault, childhood abuse)	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

c. Does the project ensure that participants are not terminated from the program for the following reasons? Select all that apply.

Failure to participate in supportive services	<input checked="" type="checkbox"/>
Failure to make progress on a service plan	<input checked="" type="checkbox"/>
Loss of income or failure to improve income	<input checked="" type="checkbox"/>
Any other activity not covered in a lease agreement typically found for unassisted persons in the project's geographic area	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

d. Will the project follow a "Housing First" approach? Yes
 (Click 'Save' to update)

6. If applicable, describe the proposed development activities and the responsibilities that the applicant and potential subrecipients (if any) will have in developing, operating, and maintaining the property.

Transitional units are already in place and are owned operated and maintained solely by Fairview Housing Management. All units have passed all local and State inspections for occupancy.

7. Will participants be required to live in a particular structure, unit, or locality, at some point during the period of participation? Yes

Explain how and why the project will implement this requirement.

Client will immediately be housed from the street into safe transitional housing. The transitional phase will allow family units to stay together, children to remain

in school and individuals the opportunity to access services and case management time to implement a plan of care based on the families needs and abilities.caseworkers work to recruit landlords who are willing to rent to tenants who can be unpredictable, irresponsible, and may have no (or negative) rental and/or credit histories thus the need for the transitional housing scope of our model

8. Will more than 16 persons live in one structure? No

3C. Project Expansion Information

- 1. Will the project use an existing homeless facility or incorporate activities provided by an existing project? Yes
- 2. Is this New project application requesting a "Project Expansion" of an eligible renewal project of the same component type? No
- 3. Select the activities below that describe the expansion project, and click on the "Save" button below to provide additional details. Coordinated entry, Provide additional supportive services to homeless persons, Increase the number of homeless persons served

Increase number of homeless persons served

Indicate how the project is proposing to "increase the number of homeless persons served."

Current level of effort	
# of persons served at a point-in-time	35
# of units	10
# of beds	35
New effort	
# of additional persons served at a point in time that this project will provide	15
# of additional units this project will provide	10
# of additional beds this project will provide	15

Additional supportive services to homeless persons

Indicate how the project is proposing to "provide additional supportive services to the homeless persons served." Increase number of and/or expand variety of supportive services provided, Increase frequency and/or intensity of supportive services, Coordinated entry

Describe the reason for the supportive service increase indicated above.
 By allowing a part time case manager to utilize and find new services for clients

as well as outreach and recruit landlords willing to work with the population we serve. caseworkers work to recruit landlords who are willing to rent to tenants who can be unpredictable, irresponsible, and may have no (or negative) rental and/or credit histories thus the need for the transitional housing scope of our model

4A. Supportive Services for Participants

1. Applicants requesting funds to provide housing or services to children and youth, with or without families, must establish policies and practices that are consistent with and do not restrict the exercise of rights provided by subtitle B of title VII of the McKinney-Vento Act (42 U.S.C. 11431, et seq.), and other laws (e.g. Head Start, part C of the Individuals with Disabilities Education Act) relating to the provision of educational and related services to individuals and families experiencing homelessness. Projects serving households with children or youth must have a staff person that is designated to ensure children or youth are enrolled in school and connected to the appropriate services within the community. Reminder: failure to comply with federal education assurances may result in Federal sanctions and significantly reduce the likelihood of receiving funding through the CoC Program Competition.

Please check the box that you acknowledge you will be required to meet the above requirements if you have any qualifying participants.

X

2. Describe how participants will be assisted to obtain and remain in permanent housing.

Providing high-fidelity services and Quality assurance services that are faithful to the evidence-based Practice model. Internal efforts to improve both process and outcomes serving as a platform from which they can pursue personal goals and improve their quality of life. Supportive services are offered to clients to achieve housing stability and individual well-being, but participation is not required a variety of voluntary Services may be used to promote stability. Fairviewhousing Management has an established network of resources and services to empower clients. The Case Manager will coordinate supportive services to enable the enrolled program clients to access mainstream supportive services, to ensure clients are able to access needed services to remain in permanent housing. Clients will also assist in creating a housing plan that will focus on goals that will aid them in increasing their income, focus on housing stability, and self-determination.

3. Describe specifically how participants will be assisted both to increase their employment and/or income and to maximize their ability to live independently.

Program clients will be referred to the North East TN Career Center for employment opportunities , assistance with resume writing and how to interview for employment positions. Clients who are veterans will be referred to the Mountain Home Va for assistance with vocational rehabilitation, GI Bill, CWT, and IT. Those who can't work due to acute disabilities will be referred to the Social Security Administration for assessment for SSI, SSDI and to the VA for Veterans benefits. All clients will be referred to Department of Human

Services for Snap benefits and any other benefits that they are eligible for. The Housing Case Manager will also meet with clients monthly to assess their living situation and incorporate any other needed services into their housing plan.

**4. For all supportive services available to participants, indicate who will provide them and how often they will be provided.
 Click 'Save' to update.**

Supportive Services	Provider	Frequency
Assessment of Service Needs	Applicant	Monthly
Assistance with Moving Costs	Applicant	As needed
Case Management	Applicant	Bi-weekly
Child Care	Partner	As needed
Education Services	Partner	As needed
Employment Assistance and Job Training	Partner	As needed
Food	Applicant	Monthly
Housing Search and Counseling Services	Applicant	As needed
Legal Services	Partner	As needed
Life Skills Training	Applicant	As needed
Mental Health Services	Partner	As needed
Outpatient Health Services	Partner	As needed
Outreach Services	Applicant	As needed
Substance Abuse Treatment Services	Partner	As needed
Transportation	Applicant	As needed
Utility Deposits	Applicant	As needed

5. Please identify whether the project will include the following activities:

5a. Transportation assistance to clients to attend mainstream benefit appointments, employment training, or jobs? Yes


5b. Regular follow-ups with participants to ensure mainstream benefits are received and renewed? Yes

6. Will project participants have access to SSI/SSDI technical assistance provided by the applicant, a subrecipient, or partner agency? Yes

6a. Has the staff person providing the technical assistance completed SOAR? Yes

training in the past 24 months.

4B. Housing Type and Location

The following list summarizes each housing site in the project. To add a housing site to the list, select the  icon. To view or update a housing site already listed, select the  icon.

List all CoC-funded and Non CoC-funded units and beds for this project

	TH	RRH	Total
Total Units:	2	6	8
Total Beds:	6	12	18

Housing Type	Housing Type (JOINT)	Units	Beds
---	Shared housing	2	6
---	Scattered-site ap...	6	12

4B. Housing Type and Location Detail

1. Is this housing type and location for the TH portion or the RRH portion of the project? TH
- 1a. Does this TH portion of the project have private rooms per household? Yes
- 1b. Is this a private or semi private room? Yes

2. Housing Type: Shared housing

3. What is the funding source for these units and beds? Mixed Funding
(If multiple sources, select "Mixed" from the dropdown menu)

Please enter "Other" or "Mixed Funding" source: Private partnership funded,coc,esg

4. Indicate the maximum number of units and beds available for project participants at the selected housing site.

- a. Units: 2
b. Beds: 6

5. Address

Project applicants must enter an address for all proposed and existing properties. If the location is not yet known, enter the expected location of the housing units. For Scattered-site and Single-family home housing, or for projects that have units at multiple locations, project applicants should enter the address where the majority of beds will be located or where the majority of beds are located as of the application submission. Where the project uses tenant-based rental assistance in the RRH portion, or if the address for scattered-site or single-family homes housing cannot be identified at the time of application, enter the address for the project's administration office. Projects serving victims of domestic violence, including human trafficking, must use a PO Box or other anonymous address to ensure the safety of participants.

Street 1: 116 W. Walnut Street

Street 2:

City: Johnson City

State: Tennessee

ZIP Code: 37604

**6. Select the geographic area(s) associated with the address. For new projects, select the area(s) expected to be covered.
(for multiple selections hold CTRL key)**

479179 Washington County

4B. Housing Type and Location Detail

**1. Is this housing type and location for the TH RRH
portion or the RRH portion of the project?**

2. Housing Type: Scattered-site apartments (including efficiencies)

**3. What is the funding source for these units and beds?
(If multiple sources, select "Mixed" from the dropdown menu)** Mixed Funding

Please enter "Other" or "Mixed Funding" source: Private membership, COC, ESG

4. Indicate the maximum number of units and beds available for project participants at the selected housing site.

a. Units: 6

b. Beds: 12

5. Address

Project applicants must enter an address for all proposed and existing properties. If the location is not yet known, enter the expected location of the housing units. For Scattered-site and Single-family home housing, or for projects that have units at multiple locations, project applicants should enter the address where the majority of beds will be located or where the majority of beds are located as of the application submission. Where the project uses tenant-based rental assistance in the RRH portion, or if the address for scattered-site or single-family homes housing cannot be identified at the time of application, enter the address for the project's administration office. Projects serving victims of domestic violence, including human trafficking, must use a PO Box or other anonymous address to ensure the safety of participants.

Street 1: 116 W. Walnut Street

Street 2:

City: Johnson City

State: Tennessee

ZIP Code: 37604

**6. Select the geographic area(s) associated with the address. For new projects, select the area(s) expected to be covered.
(for multiple selections hold CTRL key)**

479179 Washington County

5A. Project Participants - Households

Households Table

	Households with at Least One Adult and One Child	Adult Households without Children	Households with Only Children	Total
Number of Households	2	4	2	8
Characteristics	Persons in Households with at Least One Adult and One Child	Adult Persons in Households without Children	Persons in Households with Only Children	Total
Adults over age 24	2	5		7
Adults ages 18-24	2	3		5
Accompanied Children under age 18	2			2
Unaccompanied Children under age 18			4	4
Total Persons	6	8	4	18

Click Save to automatically calculate totals

5B. Project Participants - Subpopulations

Persons in Households with at Least One Adult and One Child

Characteristics	Chronically Homeless Non-Veterans	Chronically Homeless Veterans	Non-Chronically Homeless Veterans	Chronic Substance Abuse	Persons with HIV/AIDS	Severely Mentally Ill	Victims of Domestic Violence	Physical Disability	Developmental Disability	Persons not represented by listed subpopulations
Adults over age 24	1	1		1			1			
Adults ages 18-24	2						2			
Children under age 18	2			1			1			
Total Persons	5	1	0	2	0	0	4	0	0	0

Click Save to automatically calculate totals

Persons in Households without Children

Characteristics	Chronically Homeless Non-Veterans	Chronically Homeless Veterans	Non-Chronically Homeless Veterans	Chronic Substance Abuse	Persons with HIV/AIDS	Severely Mentally Ill	Victims of Domestic Violence	Physical Disability	Developmental Disability	Persons not represented by listed subpopulations
Adults over age 24	3	2		3			3			
Adults ages 18-24	1	2		1			1			
Total Persons	4	4	0	4	0	0	4	0	0	0

Click Save to automatically calculate totals

Persons in Households with Only Children

Characteristics	Chronically Homeless Non-Veterans	Chronically Homeless Veterans	Non-Chronically Homeless Veterans	Chronic Substance Abuse	Persons with HIV/AIDS	Severely Mentally Ill	Victims of Domestic Violence	Physical Disability	Developmental Disability	Persons not represented by listed subpopulations
Accompanied Children under age 18										
Unaccompanied Children under age 18	4			2			2			
Total Persons	4				0	0	2	0	0	0

Click Save to automatically calculate totals

5C. Outreach for Participants

1. Enter the percentage of project participants that will be coming from each of the following locations.

75%	Directly from the street or other locations not meant for human habitation.
25%	Directly from emergency shelters.
0%	Persons at imminent risk of losing their night time residence within 14 days, have no subsequent housing identified, and lack the resources to obtain other housing.
0%	Directly from safe havens.
0%	Persons fleeing domestic violence.
0%	Directly from transitional housing.
0%	Persons receiving services through a Department of Veterans Affairs(VA)-funded homeless assistance program (Eligible for JOINT projects if from TH or Emergency Shelters).
100%	Total of above percentages

2. Describe the outreach plan to bring these homeless participants into the project.

The goal of this program is to provide outreach, resources and support services to homeless, and at-risk street youth in order to engage and assist to use available community services to leave the street for a safer and more productive life. Street outreach activities identify youth and adults at risk of violence or violent behaviors. Outreach workers develop relationships with youth or adults encountered through street outreach efforts. Through intensive outreach efforts they create positive and trusting relationships that encourage participation in more comprehensive programming. Outreach team includes who have formerly been or are currently homeless will have special insight into where other homeless and youth congregate. Engagement with clients includes the options of diversion and placements directly into housing and/ or services. Outreach activities include strategic plans to find the eligible population that the program is targeting. Soliciting referrals from other public and private agencies that have contact with the target population, developing a regular presence at other locations that are often frequented by households and individuals who avoid formal agencies. Having Visibility at local community events that may be attended by the target population. Coordination with other outreach programs and the community partnerships.

6A. Funding Request

1. Will it be feasible for the project to be under grant agreement by September 30, 2020? Yes

2. What type of CoC funding is this project applying for in the 2018 CoC Competition? Bonus



3. Does this project propose to allocate funds according to an indirect cost rate? No

4. Select a grant term: 1 Year

*** 5. Select the costs for which funding is being requested:**

Leased Units	<input type="checkbox"/>
Leased Structures	<input type="checkbox"/>
Rental Assistance	<input checked="" type="checkbox"/>
Supportive Services	<input checked="" type="checkbox"/>
Operating	<input type="checkbox"/>
HMIS	<input checked="" type="checkbox"/>

6E. Rental Assistance Budget

The following list summarizes the rental assistance funding request for the total term of the project. To add information to the list, select the  icon. To view or update information already listed, select the  icon.

Total Request for Grant Term:		\$52,656	
Total Units:		8	
Type of Rental Assistance	FMR Area	Total Units Requested	Total Request
TRA	TN - Johnson City, TN MSA (4701999999)	8	\$52,656

Rental Assistance Budget Detail

Instructions:

Type of Rental Assistance: Select the applicable type of rental assistance from the dropdown menu. Options include tenant-based (TRA), sponsor-based (SRA), and project-based assistance (PRA). Each type has unique requirements and applicants should refer to the 24 CFR 578.51 before making a selection.

Metropolitan or non-metropolitan fair market rent area: This is a required field. Select the FY 2016 FMR area in which the project is located. The list is sorted by state abbreviation. The selected FMR area will be used to populate the rents in the chart below.

Size of Units: These options are system generated. Unit size is defined by the number of distinct bedrooms and not by the number of distinct beds.

of units: This is a required field. For each unit size, enter the number of units for which funding is being requested.

FMR: These fields are populated with the FY 2016 FMR amounts based on the FMR area selected by the applicant. The FMRs are available online at <http://www.huduser.org/portal/datasets/fmr.html>.

12 Months: These fields are populated with the value 12 to calculate the annual rent request.

Total Request: This column populates with the total calculated amount from each row based on the number of units multiplied by the corresponding FMR and by 12 months.

Total Units and Annual Assistance Requested: The fields in this row are automatically calculated based on the total number of units and the sum of the total requests per unit size per year.

Grant Term: This field is populated based on the grant term selected on Screen "6A. Funding Request" and will be read only.

Total Request for Grant Term: This field is automatically calculated based on the total annual assistance requested multiplied by the grant term.

All total fields will be calculated once the required field has been completed and saved.

Additional Resources can be found at the HUD Exchange:
<https://www.hudexchange.info/e-snaps/guides/coc-program-competition-resources>

Type of Rental Assistance: TRA

The RRH component of a Joint TH-RRH project can only use TRA. The TH component of a Joint TH-RRH project part of the component can only use PRA and SRA or the Leased Units budget.

Metropolitan or non-metropolitan fair market rent area: TN - Johnson City, TN MSA (4701999999)

Size of Units	# of Units (Applicant)	FMR Area (Applicant)	12 Months	Total Request (Applicant)
---------------	------------------------	----------------------	-----------	---------------------------

SRO		x	\$354	x	12	=	\$0
0 Bedroom	2	x	\$472	x	12	=	\$11,328
1 Bedroom	4	x	\$527	x	12	=	\$25,296
2 Bedrooms	2	x	\$668	x	12	=	\$16,032
3 Bedrooms		x	\$846	x	12	=	\$0
4 Bedrooms		x	\$1,000	x	12	=	\$0
5 Bedrooms		x	\$1,150	x	12	=	\$0
6 Bedrooms		x	\$1,300	x	12	=	\$0
7 Bedrooms		x	\$1,450	x	12	=	\$0
8 Bedrooms		x	\$1,600	x	12	=	\$0
9 Bedrooms		x	\$1,750	x	12	=	\$0
Total Units and Annual Assistance Requested	8						\$52,656
Grant Term							1 Year
Total Request for Grant Term							\$52,656

Click the 'Save' button to automatically calculate totals.

6F. Supportive Services Budget

Instructions:

Enter the quantity and total budget request for each supportive services cost. The request entered should be equivalent to the cost of one year of the relevant supportive service.

Eligible Costs: The system populates a list of eligible supportive services for which funds can be requested. The costs listed are the only costs allowed under 24 CFR 578.53.

Quantity AND Description: This is a required field. A quantity AND description must be entered for each requested cost. Enter the quantity in detail (e.g. 1 FTE Case Manager Salary + benefits, or child care for 15 children) for each supportive service activity for which funding is being requested. Please note that simply stating "1FTE" is NOT providing "Quantity AND Detail" and limits HUD's understanding of what is being requested. Failure to enter adequate 'Quantity AND Detail' may result in conditions being placed on an award and a delay of grant funding.

Annual Assistance Requested: This is a required field. For each grant year, enter the amount of funds requested for each activity. The amount entered must only be the amount that is DIRECTLY related to providing supportive services to homeless participants.

Total Annual Assistance Requested: This field is automatically calculated based on the sum of the annual assistance requests entered for each activity.

Grant Term: This field is populated based on the grant term selected on Screen "6A. Funding Request" and will be read only.

Total Request for Grant Term: This field is automatically calculated based on the total amount requested for each eligible cost multiplied by the grant term.

All total fields will be calculated once the required field has been completed and saved.

Additional Resources can be found at the HUD Exchange:
<https://www.hudexchange.info/e-snaps/guides/coc-program-competition-resources>

A quantity AND description must be entered for each requested cost.

Eligible Costs	Quantity AND Description (max 400 characters)	Annual Assistance Requested
1. Assessment of Service Needs	Housing stabilization	\$9,728
2. Assistance with Moving Costs		
3. Case Management	Part Time Case Manager	\$12,000
4. Child Care		
5. Education Services		
6. Employment Assistance		
7. Food		
8. Housing/Counseling Services		
9. Legal Services		
10. Life Skills		
11. Mental Health Services		
12. Outpatient Health Services		
13. Outreach Services		

14. Substance Abuse Treatment Services		
15. Transportation	Client Bus passes, Staff Home Visits, Home search	\$3,000
16. Utility Deposits	One time help for new families	\$4,000
17. Operating Costs	Office, Phone, Internet	\$4,600
Total Annual Assistance Requested		\$33,328
Grant Term		1 Year
Total Request for Grant Term		\$33,328

Click the 'Save' button to automatically calculate totals.

6H. HMIS Budget

Instructions:

Enter the quantity and total budget request for each HMIS cost. The request entered should be equivalent to the cost of one year of the relevant HMIS activity. The system populates a list of eligible costs associated with the implementation of an HMIS and for which CoC funds can be requested.

Quantity Detail: This is a required field. A quantity AND description must be entered for each requested cost. Enter the quantity in detail (eg. .75 FTE hours and benefits for staff, utility types, monthly allowance for food and supplies) for each HMIS cost for which funding is being requested. Please note that simply stating "1FTE" is NOT providing "Quantity AND Detail" and restricts understanding of what is being requested. Failure to enter adequate "Quantity AND Detail" may result in conditions being placed on the award and a delay of grant funding.

Annual Assistance Requested: This is a required field. For each grant year, enter the amount funds requested for each activity.

Total Annual Assistance Requested: This field is automatically calculated based on the sum of the annual assistance requests entered for each activity.

Grant term: This field is populated based on the grant term selected on Screen "6A. Funding Request" and will be read only.

Total Request for Grant Term: This field is automatically calculated based on the total amount requested for each eligible cost multiplied by the grant term.

All total fields will be calculated once the required field has been completed and saved.

Additional Resources can be found at the HUD Exchange:
<https://www.hudexchange.info/e-snaps/guides/coc-program-competition-resources>

A quantity AND description must be entered for each requested cost.

Eligible Costs	Quantity AND Description (max 400 characters)	Annual Assistance Requested
1. Equipment		
2. Software		
3. Services	COC HMIS fee	\$1,796
4. Personnel		
5. Space & Operations		
Total Annual Assistance Requested:		\$1,796
Grant Term:		1 Year
Total Request for Grant Term:		\$1,796

Click the 'Save' button to automatically calculate totals.

6I. Sources of Match

The following list summarizes the funds that will be used as Match for the project. To add a Matching source to the list, select the icon. To view or update a Matching source already listed, select the icon.

Summary for Match

Total Value of Cash Commitments:	\$0
Total Value of In-Kind Commitments:	\$22,445
Total Value of All Commitments:	\$22,445

1. Will this project generate program income as described in 24 CFR 578.97 that will be used as Match for this grant? No

Before grant execution, services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the recipient or subrecipient and the third party that will provide the services.

Match	Type	Source	Contributor	Date of Commitment	Value of Commitments
Yes	In-Kind	Private	Fairview Housing	08/09/2018	\$22,445

Sources of Match Detail

- 1. Will this commitment be used towards match ?** Yes
- 2. Type of commitment:** In-Kind
- 3. Type of source:** Private
- 4. Name the source of the commitment:** Fairview Housing
(Be as specific as possible and include the office or grant program as applicable)
- 5. Date of Written Commitment:** 08/09/2018
- 6. Value of Written Commitment:** \$22,445

Before grant execution, services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the recipient or subrecipient and the third party that will provide the services.

6J. Summary Budget

The following information summarizes the funding request for the total term of the project. However, administrative costs can be entered in 8. Admin field below.

Eligible Costs	Annual Assistance Requested (Applicant)	Grant Term (Applicant)	Total Assistance Requested for Grant Term (Applicant)
1a. Acquisition			\$0
1b. Rehabilitation			\$0
1c. New Construction			\$0
2a. Leased Units	\$0	1 Year	\$0
2b. Leased Structures	\$0	1 Year	\$0
3. Rental Assistance	\$52,656	1 Year	\$52,656
4. Supportive Services	\$33,328	1 Year	\$33,328
5. Operating	\$0	1 Year	\$0
6. HMIS	\$1,796	1 Year	\$1,796
7. Sub-total Costs Requested			\$87,780
8. Admin (Up to 10%)			\$2,000
9. Total Assistance Plus Admin Requested			\$89,780
10. Cash Match			\$0
11. In-Kind Match			\$22,445
12. Total Match			\$22,445
13. Total Budget			\$112,225

Click the 'Save' button to automatically calculate totals.

7A. Attachment(s)

Document Type	Required?	Document Description	Date Attached
1) Subrecipient Nonprofit Documentation	No		
2) Other Attachment(s)	No	Financial Policy	08/09/2018
3) Other Attachment(s)	No		

Attachment Details

Document Description:

Attachment Details

Document Description: Financial Policy

Attachment Details

Document Description:

7A. In-Kind MOU Attachment

Document Type	Required?	Document Description	Date Attached
In-Kind Match MOU	No	Match letter	08/09/2018

Attachment Details

Document Description: Match letter

7D. Certification

A. For all projects: Fair Housing and Equal Opportunity

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) and regulations pursuant thereto (Title 24 CFR part I), which state that no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance, and will immediately take any measures necessary to effectuate this agreement. With reference to the real property and structure(s) thereon which are provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer, transferee, for the period during which the real property and structure(s) are used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

It will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and with implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion, sex, disability, familial status or national origin.

It will comply with Executive Order 11063 on Equal Opportunity in Housing and with implementing regulations at 24 CFR Part 107 which prohibit discrimination because of race, color, creed, sex or national origin in housing and related facilities provided with Federal financial assistance.

It will comply with Executive Order 11246 and all regulations pursuant thereto (41 CFR Chapter 60-1), which state that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal contracts and shall take affirmative action to ensure equal employment opportunity. The applicant will incorporate, or cause to be incorporated, into any contract for construction work as defined in Section 130.5 of HUD regulations the equal opportunity clause required by Section 130.15(b) of the HUD regulations.

It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)), and regulations pursuant thereto (24 CFR Part 135), which require that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project and contracts for work in connection with the project be awarded in substantial part to persons residing in the area of the project.

It will comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and with implementing regulations at 24 CFR Part 8, which prohibit discrimination based on disability in Federally-assisted and conducted programs and activities.

It will comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101-07), as amended, and implementing regulations at 24 CFR Part 146, which prohibit discrimination because of age in projects and activities receiving Federal financial assistance.

It will comply with Executive Orders 11625, 12432, and 12138, which state that program participants shall take affirmative action to encourage participation by businesses owned and operated by members of minority groups and women.

If persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for assistance are unlikely to be reached, it will establish additional procedures to ensure that interested persons can obtain information concerning the assistance.

It will comply with the reasonable modification and accommodation requirements and, as appropriate, the accessibility requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973, as amended.

Additional for Rental Assistance Projects:

If applicant has established a preference for targeted populations of disabled persons pursuant to 24 CFR part 578 or 24 CFR 582.330(a), it will comply with this section's nondiscrimination requirements within the designated population.

B. For non-Rental Assistance Projects Only.

15-Year Operation Rule.

Applicants receiving assistance for acquisition, rehabilitation or new construction: The project will be operated for no less than 15 years from the date of initial occupancy or the date of initial service provision for the purpose specified in the application.

1-Year Operation Rule.

Applicants receiving assistance for supportive services, leasing, or operating costs but not receiving assistance for acquisition, rehabilitation, or new construction: The project will be operated for the purpose specified in the application for any year for which such assistance is provide

Where the applicant is unable to certify to any of the statements in this certification, such applicant shall provide an explanation.

Name of Authorized Certifying Official: Robert Garrett

Date: 08/09/2018

Title: President

Applicant Organization: Fairview Housing Management Corporation

PHA Number (For PHA Applicants Only):

I certify that I have been duly authorized by the applicant to submit this Applicant Certification and to ensure compliance. I am aware that any false, fictitious, or fraudulent

X

**statements or claims may subject me to
criminal, civil, or administrative penalties .
(U.S. Code, Title 218, Section 1001).**



8B. Submission Summary

Applicant must click the submit button once all forms have a status of Complete.

Applicant must click the submit button once all forms have a status of Complete.

Page	Last Updated
1A. SF-424 Application Type	No Input Required
1B. SF-424 Legal Applicant	No Input Required
1C. SF-424 Application Details	No Input Required
1D. SF-424 Congressional District(s)	08/09/2018
1E. SF-424 Compliance	07/25/2018
1F. SF-424 Declaration	07/25/2018
1G. HUD 2880	07/25/2018
1H. HUD 50070	07/25/2018
1I. Cert. Lobbying	07/25/2018
1J. SF-LLL	08/09/2018
2A. Subrecipients	No Input Required
2B. Experience	08/09/2018
3A. Project Detail	07/26/2018
3B. Description	08/09/2018
3C. Expansion	08/09/2018
4A. Services	08/03/2018
4B. Housing Type	08/08/2018
5A. Households	08/08/2018
5B. Subpopulations	No Input Required
5C. Outreach	08/01/2018
6A. Funding Request	08/01/2018
6E. Rental Assistance	08/08/2018
6F. Supp Srvcs Budget	08/08/2018
6H. HMIS Budget	08/08/2018
6I. Match	08/08/2018
6J. Summary Budget	No Input Required
7A. Attachment(s)	08/09/2018

7A. In-Kind MOU Attachment	08/09/2018
7D. Certification	08/01/2018

FAIRVIEW HOUSING MANAGEMENT CORPORATION

Accounting & Financial Policies and Procedures Manual

January 1, 2018

Effective Date(s) of Accounting Policies

The effective date of all accounting policies described in this manual is January 1, 2017. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

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INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the FAIRVIEW HOUSING MANAGEMENT CORPORATION, all subsidiary companies and operational programs, which shall be referred to as "FAIRVIEW HOUSING MANAGEMENT CORPORATION" or "the Organization" throughout this manual.

, **FAIRVIEW HOUSING MANAGEMENT CORPORATION** is incorporated in the States of Virginia and Tennessee. FAIRVIEW HOUSING MANAGEMENT CORPORATION is exempt from federal income taxes under IRC Section [501(c)(3)] as nonprofit corporations.

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Organizations by the Board of Directors. All FAIRVIEW HOUSING MANAGEMENT CORPORATION staff are bound by the policies herein, and any deviation from established policy is prohibited.

GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

FAIRVIEW HOUSING MANAGEMENT CORPORATION is governed by its Board of Directors, which is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the organization's mission to the public
5. Soliciting prospective contributors
6. Contracting for the Administrator
7. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants

The board is responsible for hiring and periodically evaluating the organization's Administrator, who shall be responsible for the day-to-day oversight and management of FAIRVIEW HOUSING MANAGEMENT CORPORATION

Committee Structure

The board of directors shall, from time to time, form committees in order to assist the board in fulfilling its responsibilities. These committees, when formed, represent vehicles for parceling out the board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board's consideration. Such committees of FAIRVIEW HOUSING MANAGEMENT CORPORATION might consist of the following:

1. Executive Committee
2. Finance Committee
3. Audit Committee
4. Nominating Committee
5. Program Committee(s)
6. Public Relations Committee
7. Government Affairs Committee
8. Development Committee
9. Personnel committee

Specific guidelines regarding the composition and election of the board of directors and committees are described in the organization's by-laws. However, roles of committees with direct responsibilities for the financial affairs of the organization are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Finance Committee Responsibilities

The Finance Committee, when established, is responsible for direction and oversight regarding the overall financial management of FAIRVIEW HOUSING MANAGEMENT CORPORATION. Functions of the Finance Committee include:

1. Review and recommendation of the organization's annual budget (prepared by the staff) for final approval by the full board
2. Long-term financial planning
3. Establishment of investment policy and monitoring investment performance
4. Evaluation and approval of facilities decisions (i.e. leasing, purchasing property)
5. Monitoring actual vs. budgeted financial performance
6. Oversight of reserve funds

The review of the organization's financial statements shall not be limited to the finance committee, but shall involve the entire board of directors.

Audit Committee Responsibilities

The Audit Committee, when established, is responsible for recommending the hiring of an independent CPA firm and for directly communicating with the CPA firm to fulfill the requirement for an annual audit, as described in the organization's by-laws. The Audit Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud.

The Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against the organization or by one of its employees or board members.

The Audit Committee's role in the annual audit is more fully explained in the section of this manual covering the annual audit.

The Roles of the Administrator and Staff

The board of directors hires the Administrator, who reports directly to the board of directors. The Administrator is responsible for hiring and evaluating department directors for each of the organization's departments. Each department director reports to the Administrator.

Within each department, department directors are responsible for hiring, with approval from the Administrator, employees to work in that department. All employees within a department shall report directly to that department's director, who shall be responsible for managing and evaluating all employees within the department.

ACCOUNTING DEPARTMENT OVERVIEW

Organization

The accounting department consists of the staff who manage and process financial information for FAIRVIEW HOUSING MANAGEMENT CORPORATION Possible duties comprising the accounting department of FAIRVIEW HOUSING MANAGEMENT CORPORATION, and the titles of each duty used throughout this manual, are as follows:

- Duties as Director of Finance/Administrator
- Senior Accountant
- Payroll Clerk
- Cash Receipts Clerk
- Accounts Payable Clerk

Other officers and employees of FAIRVIEW HOUSING MANAGEMENT CORPORATION who have financial responsibilities, and the titles of each position used throughout this manual, are as follows:

- Administrator
- Department Directors
- Administrator - Board-Level
- Audit Committee
- Executive Committee
- Full Board of Directors

Responsibilities

The primary accounting responsibilities consist of:

- General Ledger
- Budgeting
- Cash and Investment Management
- Asset Management
- Grants and Contracts Administration
- Purchasing
- Accounts Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll and Benefits
- Financial Statement Processing
- External Reporting of Financial Information
- Bank Reconciliation
- Reconciliation of Sub-Ledgers
- Compliance with Government Reporting Requirements
- Annual Audit
- Leases
- Insurance

BUSINESS CONDUCT

Practice of Ethical Behavior

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of FAIRVIEW HOUSING MANAGEMENT CORPORATION depend to a very large extent on the following considerations.

Each employee must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with FAIRVIEW HOUSING MANAGEMENT CORPORATION policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known with the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each Director, Manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

Conflicts of Interest

In addition, no employee, officer, or agent of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall participate in the selection, award, or administration of a contract involving FAIRVIEW HOUSING MANAGEMENT CORPORATION if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of her or his immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected.

Compliance With Laws, Regulations and Organization Policies

FAIRVIEW HOUSING MANAGEMENT CORPORATION does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Organization tolerate the disregard or circumvention of FAIRVIEW HOUSING MANAGEMENT CORPORATION policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Director, Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

FRAUD POLICY

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with FAIRVIEW HOUSING MANAGEMENT CORPORATION Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with FAIRVIEW HOUSING MANAGEMENT CORPORATION

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Administrator or Chairman of the Board who coordinates all investigations.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to FAIRVIEW HOUSING MANAGEMENT CORPORATION
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of FAIRVIEW HOUSING MANAGEMENT CORPORATION
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to FAIRVIEW HOUSING MANAGEMENT CORPORATION
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management.

If there is a question as to whether an action constitutes fraud, contact the Chairman of the Board or the Administrator.

Investigation Responsibilities

The Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Audit Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Audit Committee will issue reports to appropriate designated personnel and, if appropriate, to the FAIRVIEW HOUSING MANAGEMENT CORPORATION Board of Directors and/or the Executive Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the organization. It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

Confidentiality

The Audit Committee, Administrator and the Chairman of the Board treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Administrator or Chairman of the Board immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedures** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect FAIRVIEW HOUSING MANAGEMENT CORPORATION from potential civil liability.

Authority for Investigation of Suspected Fraud

Members of the FAIRVIEW HOUSING MANAGEMENT CORPORATION Audit Committee will have:

1. Free and unrestricted access to all FAIRVIEW HOUSING MANAGEMENT CORPORATION records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody or any such items or facilities when it is within the scope of their investigations.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Administrator or the Chairman of the Board immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Audit Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the FAIRVIEW HOUSING MANAGEMENT CORPORATION legal counsel or the Audit Committee.

SECURITY

Accounting Department

A lock will be maintained on the door leading into the FAIRVIEW HOUSING MANAGEMENT CORPORATION Accounting Department. This door shall be closed and locked in the evenings and whenever the Accounting Department is vacant. The key/combination to this lock will be provided to all accounting personnel and the Administrator. The lock will be changed whenever any of these individuals leaves the employment of FAIRVIEW HOUSING MANAGEMENT CORPORATION

The FAIRVIEW HOUSING MANAGEMENT CORPORATION blank check stock shall be stored in a fireproof file cabinet in the Accounting Department. This cabinet will be locked with a key that is kept in the Accounting Department. Access to this file cabinet shall be by keys in the possession of the Administrator and Bookkeeper.

Petty cash is stored in a drawer locked with a key. The Petty Cash Custodian and the Director of Finance/Administrator will be the only employees with keys to the petty cash drawer.

Access to Electronically Stored Accounting Data

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Storage of Back-Up Files

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by management.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices of FAIRVIEW HOUSING MANAGEMENT CORPORATION Keys are issued only to employees of FAIRVIEW HOUSING MANAGEMENT CORPORATION

TECHNOLOGY AND ELECTRONIC COMMUNICATIONS

Purpose and Scope

The purpose of this policy is to identify guidelines for the use of FAIRVIEW HOUSING MANAGEMENT CORPORATION technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of the organization's technologies and communications systems.

The term "user" as used in these policies refers to employees (whether full-time, part-time or limited-term), independent contractors, consultants, and any other user having authorized access to, and using any of, the organization's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand alone computers, laptops, printers, fax machines, phones, on-line services, E-mail systems, bulletin board systems, and all software that is owned, licensed or operated by FAIRVIEW HOUSING MANAGEMENT CORPORATION

Acceptable Use of Organization Property

Use of the organization's computers and electronic communications technologies is for programmatic and business activities of FAIRVIEW HOUSING MANAGEMENT CORPORATION All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. Although incidental and occasional personal use of the organization's communications systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts and knowledge described, documented or contained in the organization's electronic systems are the intellectual property of FAIRVIEW HOUSING MANAGEMENT CORPORATION The copying or use of the organization's intellectual property for personal use or benefit during or after employment (or period of contract) with FAIRVIEW HOUSING MANAGEMENT CORPORATION is prohibited unless approved in advance by the Administrator.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc) issued by FAIRVIEW HOUSING MANAGEMENT CORPORATION is the property of the organization and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report any problems with hardware to the Administrator.

Password Security

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Users should not leave their computers unattended without logging off.

Confidentiality

All information about individuals, families or organizations served by FAIRVIEW HOUSING MANAGEMENT CORPORATION is confidential. No information may be shared with any person or organization outside FAIRVIEW HOUSING MANAGEMENT CORPORATION without the prior written approval of the individual, family or organization and the Administrator.

Copyrighted Information

Use of FAIRVIEW HOUSING MANAGEMENT CORPORATION electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

Installation of Software

The installation of new software on the computers of FAIRVIEW HOUSING MANAGEMENT CORPORATION without the prior approval of Treasurer is prohibited. If an employee desires to install any new programs onto a FAIRVIEW HOUSING MANAGEMENT CORPORATION computer, written permission should first be obtained.

Other Prohibited Uses

Other prohibited uses of the organization's communication systems include, but are not limited to:

1. Engaging in any communication that is discriminatory, defamatory pornographic, obscene, racist, sexist or that evidences religious bias, or is otherwise of a derogatory nature toward any specific person, or toward any race, nationality, gender, marital status, sexual orientation, religion, disability, physical characteristic, or age group.
2. Browsing or downloading and/or forwarding and/or printing pornographic, profane, discriminatory, threatening or otherwise offensive material from any source including, but not limited to, the Internet.
3. Engaging in any communication that is in violation of federal, state or local laws.
4. Proselytizing or promoting any religious belief or tenet.
5. Campaigning for or against any candidate for political office or any ballot proposal or issue.
6. Sending, forwarding, redistributing or replying to "chain letters."
7. Unauthorized use of passwords to gain access to another user's information or communications on FAIRVIEW HOUSING MANAGEMENT CORPORATION systems or elsewhere.

8. Advertising, solicitation or other commercial, non-programmatic use.
9. Knowingly introducing a computer virus into the organization's communication system or otherwise knowingly causing damage to the organization's systems.
10. Using the organization's systems in a manner that interferes with normal business functions in any way, including but not limited to, streaming audio from the Internet during business hours, stock tickers, installing unauthorized software, etc.
11. Excessive personal use of the organization's technologies that preempts any business activity or interferes with organizational productivity.
12. Sending E-mail messages under an assumed name or obscuring the origin of an E-mail message sent or received.

Disciplinary Action for Violations

FAIRVIEW HOUSING MANAGEMENT CORPORATION requires all users to adhere to this policy. Violations of this policy will result in disciplinary action, which could include termination of employment or cancellation of contracts.

Reporting of Suspected Violations

Suspected violations of these policies should be immediately and confidentially reported to your immediate supervisor. If you prefer not to discuss it with your supervisor, you may contact the Administrator.

FAIRVIEW HOUSING MANAGEMENT CORPORATION reserves the right to install programs that monitor employee use of the Internet and electronic communication systems and to act on any violations of these policies found through use of such programs. FAIRVIEW HOUSING MANAGEMENT CORPORATION further reserves the right to examine any and all electronic communications sent or received by employees via the organization's electronic communications systems.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of FAIRVIEW HOUSING MANAGEMENT CORPORATION and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for FAIRVIEW HOUSING MANAGEMENT CORPORATION's accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.

FAIRVIEW HOUSING MANAGEMENT CORPORATION's chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Other Revenue (Expense)

Distribution of Chart of Accounts

All FAIRVIEW HOUSING MANAGEMENT CORPORATION employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals promptly.

Control of Chart of Accounts

FAIRVIEW HOUSING MANAGEMENT CORPORATION's chart of accounts is monitored and controlled by the Treasurer. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Treasurer, who ensures that the chart of accounts is consistent with the organizational structure of FAIRVIEW HOUSING MANAGEMENT CORPORATION and meets the needs of each division and department.

Account Definitions

General Ledger

Account Range

1000 - 1999

Category

Assets

Definition

Assets are probable future economic benefits obtained or controlled by the organization as a result of past transactions or events. Assets of FAIRVIEW HOUSING MANAGEMENT CORPORATION are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the organization and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

2000- 2999

Liabilities

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the organization to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of FAIRVIEW HOUSING MANAGEMENT CORPORATION are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the

financial statements. An example is the non-current portion of a mortgage loan.

3000 - 3999

Net Assets

Net Assets is the difference between total assets and total liabilities. See the next section for FAIRVIEW HOUSING MANAGEMENT CORPORATION's policies on classifying net assets.

4000 - 4999

Revenues

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization's ongoing major or central operations. Revenues of FAIRVIEW HOUSING MANAGEMENT CORPORATION include membership dues, conference registrations, and sales of publications.

Revenues of FAIRVIEW HOUSING MANAGEMENT CORPORATION also include contributions received from donors and grants received from government agencies, private foundations and corporations.

5000 - 8999

Expenses

Expenses are outflows or other using up of assets or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute FAIRVIEW HOUSING MANAGEMENT CORPORATION's ongoing major or central operations.

9000-9999

Other Revenue (Expense)

Gains are increases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the organization except those that result from revenues or contributions.

Losses are decreases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the organization except those that result from expenses.

Gains or losses occur when FAIRVIEW HOUSING MANAGEMENT CORPORATION sells a fixed asset or writes off as worthless a fixed asset with remaining book value.

The Manna House
Account Listing
May 2, 2011

Account	Type	Balance Total	Description
1020 · PCB--Manna Checking	Bank	7,904.67	Manna House
1022 · PCB--Gathering Place C...	Bank	33,668.72	Restricted donations for meeting building for Manna ...
1025 · SOF - Fairview	Bank	0.00	Checking account opened with proceeds from Eastri...
1129 · AIR - Reimbursement	Accounts Receivable	0.00	Reimbursement for purchases made by Manna
1030 · AIR-Tenants	Other Current Asset	1,615.00	
1130 · AIR-Grant-City of JC	Other Current Asset	0.00	
1131 · AIR-HUD	Other Current Asset	0.00	
1132 · AIR-Prepaid Rent	Other Current Asset	-106.73	
1133 · AIR Twin Oaks	Other Current Asset	0.00	
1134 · Advance to Downtown A...	Other Current Asset	13,620.00	
1135 · Advance to ATL Inc	Other Current Asset	0.00	Advance to Atlantic Investments, Inc.
1150 · Advance F H Construction	Other Current Asset	0.00	
1160 · Advance Downtown	other Current Asset	0.00	
1225 · Investment Twin Oaks	Other Current Asset	0.00	
1240 · Prepaid Insurance	Other Current Asset	0.00	
1499 · Undeposited Funds	Other Current Asset	0.00	
1531 · Accrued Int N/R Eastridge	Other Current Asset	0.00	
1510 · Downtown Apartments	Fixed Asset	0.00	
1550 · Land	Fixed Asset	0.00	
1565 · Manna House	Fixed Asset	214,508.84	
1570 · Mobile Home	Fixed Asset	10,121.03	
1580 · Furniture & Fixtures	Fixed Asset	0.00	
1590 · FA Office Equipment	Fixed Asset	30,500.40	
1592 · FA Computer Equipment	Fixed Asset	0.00	
1599 · Reserve For Depree.	Fixed Asset	-89,971.77	
1530 · Note Receivable Eastridge	other Asset	0.00	
1800 · Loan Cost	Other Asset	0.00	
1801 · Accum. Amortization	Other Asset	0.00	
2000 · Accounts Payable	Accounts Payable	5,174.59	
Prepaid Rent	Other Current Liability	0.00	
2010 · Accrued Payroll	Other Current Liability	1,781.00	
2100 · Payroll Taxes	Other Current Liability	1,221.54	
2120 · Accrued Wages	Other Current Liability	0.00	
2122 · Payroll Tax Liability	Other Current Liability	-5.34	
2130 · Accrued Interest	Other Current Liability	169.17	
2131 · Accrued Property Taxes	Other Current Liability	0.00	
2140 · Child Support Payable	Other Current Liability	0.00	
2150 · Security Deposits -Ameri	Other Current Liability	0.00	
2155 · Accrued County Tax	Other Current Liability	0.00	
2156 · Accrued City Tax	Other Current Liability	0.00	
2168 · Advance from Fairview/...	other Current Liability	2,040.00	Advance from Fairview/Peach Orchard acct
2170 · Advance from Twin Oaks	Other Current Liability	0.00	
2171 · Advance from Atlantic	Other Current Liability	6,708.00	
2200 · Advance fromDowntown...	Other Current Liability	-101,234.16	
2250 · Advance from Harmony ...	Other Current Liability	0.00	
2300 · Advance from FH Constr...	Other Current Liability	0.00	
2350 · Advance from JCCW	.Other Current Liability	0.00	
2400 · Advance from HRP	Other Current Liability	0.00	Advance from Harmony Ridge Project
2550 · ACS Lender Services, Inc.	Long Term Liability	0.00	Mobile Home
2600 · Mortgage--GreenBank	Long Term Liability	79,536.94	Mortgage
2601 · Mortgage - Current Portion	Long Tenn Liability	0.00	
3000 · Opening Bal Equity	Equity	0.00	
3100 · Retained Earnings	Equity		Retained Earnings
Contributions Income	Income		Contribution Income
Contributions Income:Restricted	Income		Restricted Contributions
Contributions Income:Unrestrict...	Income		Unrestricted Contributions
4010 · Donations-RESTRICTED	Income		
4040 · Contributions- UNrestrict...	Income		
4060 · Donations Income	Income		
4065 · In Kind Contributions-Se...	Income		
4070 · Grants	Income		Grants
4070 · Grants:4071 · ESG Esse...	Income		JC City Grant
4070 · Grants:4072 · ESG Prev...	Income		JC City Grant
4080 · SNAP (HUD)	Income		
4080 · SNAP (HUD):4081 · Sup...	Income		
4080 · SNAP (HUD):4082 · Ope...	Income		
4080 · SNAP (HUD):4083 · Ad...	Income		
4080 · SNAP (HUD):4084 · HMI...	Income		

Account Listing

05/02/11

Account	Type	Balance Total	Description
5389 · Professional Fees	Expense		Professional Fees
5389 · Professional Fees:5390 · ...	Expense		Accounting Fees
5389 · Professional Fees:5400 · ...	Expense		Legal Fees
5410 · Rent	Expense		Rent
5420 · Repairs	Expense		Repairs and Maintenance
5420 · Repairs:5430 · A/C & He...	Expense		
5420 · Repairs:5435 · Applianc...	Expense		
5420 · Repairs:5440 · Building ...	Expense		Building Repairs
5420 · Repairs:5450 · Equipme...	Expense		Equipment Repairs
5420 · Repairs:5460 · Material ...	Expense		
5420 · Repairs:5461 · Labor (in-...	Expense		
5420 · Repairs:5462 · Contract ...	Expense		
5420 · Repairs:5465 · Plumbing...	Expense		Plumbing
5420 · Repairs:5466 · Key Repl...	Expense		
5420 · Repairs:5467 · Lock Rep...	Expense		
5470 · Security & Fire Services	Expense		
5490 · Supplies	Expense		Supplies
5490 · Supplies:5500 · A&D tes...	Expense		Alcohol & Drug Tests
5490 · Supplies:5511 · Marketing	Expense		Marketing Supplies
5519 · Tax	Expense		
5519 · Tax:5520 · Payroll Taxes	Expense		
5519 · Tax:5530 · Property	Expense		
5519 · Tax:5535 · Misc Taxes	Expense		
5519 · Tax:5540 · State	Expense		
5600 · Telephone OP...	Expense		Telephone
5601 · Cellular Telephones	Expense		
5602 · Internet (Client) SS ...	Expense		
5605 · Travel & Ent--meals	Expense		Travel and Entertainment
5606 · Travel & Ent.--Lodging	Expense		
5607 · Travel & Ent.--Travel/Fuel	Expense		Travel and fuel
5700 · Utilities OP 03	Expense		Utilities
5700 · Utilities OP 03...	Expense		
5700 · Utilities OP 03...	Expense		
5700 · Utilities OP 03...	Expense		Gas and Electric
5700 · Utilities OP 03...	Expense		Trash/Garbage (SW)
5700 · Utilities OP 03...	Expense		Use of dumpster
5700 · Utilities OP 03...	Expense		Water
5700 · Utilities OP 03...	Expense		Sewer (LS)
5700 · Utilities OP 03...	Expense		Stormwater (sewer drains)
5760 · Capital Improvements	Expense		
5761 · Furnishings OP...	Expense		
5900 · Amortization Expense	Expense		Amortization Expense
6000 · Depreciation Expense	Expense		Depreciation Expense
6001 · In-Kind Services	Expense		
6140 · Contributions	Expense		Contributions
6160 · Dues and Subscriptions	Expense		Dues and Subscriptions
6230 · Licenses and Permits	Expense		Licenses
6670 · Program Expense OP 00	Expense		Program Expense
6675 · Grants Expense	Expense		
6675 · Grants Expense:6676 · ...	Expense		
6675 · Grants Expense:6677 · ...	Expense		
5755 · Other Income	Other Income		Other Income
70-10 · Interest Income	Other Income		Interest Income
5750 · Other Expenses	Other Expense		Other Expenses

Classification of Net Assets

Net assets of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that the Organization permanently maintain certain contributed assets. Generally, donors of such assets permit the Organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by FAIRVIEW HOUSING MANAGEMENT CORPORATION that are not subject to donor-imposed restrictions, but which the board of directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

Changes to the Chart of Accounts

Additions to, deletions from, or any other changes to FAIRVIEW HOUSING MANAGEMENT CORPORATION's standard chart of accounts shall only be done with the approval of the Treasurer.

Fiscal Year of Organization

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall operate on a fiscal year that begins on January 1 and ends on December 31. Any changes to the fiscal year of the organization must be ratified by majority vote of FAIRVIEW HOUSING MANAGEMENT CORPORATION's board of directors.

Journal Entries

All general ledgers entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, which shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accretion of discounts on promises to give
4. Accruals of recurring expenses
5. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the Treasurer by initialing or signing the entries.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

REVENUE

Revenue Recognition Policies

FAIRVIEW HOUSING MANAGEMENT CORPORATION receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of FAIRVIEW HOUSING MANAGEMENT CORPORATION in the following manner:

1. **Grant income** - Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards)
2. **Rent income** - Monthly accrual, based on the terms of each lease
3. **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)
4. **Exchange Transactions (Service Income and Other Fees)** - Monthly accrual based on charge rates for services provided.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the Treasurer.

CONTRIBUTIONS RECEIVED

Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Organization or releases the promisor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in FAIRVIEW HOUSING MANAGEMENT CORPORATION's articles of incorporation and bylaws. Restrictions on FAIRVIEW HOUSING MANAGEMENT CORPORATION's use of an asset may be temporary or permanent.

Nonreciprocal Transfer - A transaction in which an entity incurs a liability or transfers assets to FAIRVIEW HOUSING MANAGEMENT CORPORATION without directly receiving value from FAIRVIEW HOUSING MANAGEMENT CORPORATION in exchange.

Promise to Give - A written or oral agreement to contribute cash or other assets to FAIRVIEW HOUSING MANAGEMENT CORPORATION

Exchange Transaction - A reciprocal transaction in which FAIRVIEW HOUSING MANAGEMENT CORPORATION and another entity each receive and sacrifice something of approximately equal value.

Distinguishing Contributions from Exchange Transactions

FAIRVIEW HOUSING MANAGEMENT CORPORATION receives income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. FAIRVIEW HOUSING MANAGEMENT CORPORATION's intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to FAIRVIEW HOUSING MANAGEMENT CORPORATION (i.e. does the resource provider state its intent is to support

FAIRVIEW HOUSING MANAGEMENT CORPORATION's programs or that it anticipates specified benefits in exchange?);

3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of FAIRVIEW HOUSING MANAGEMENT CORPORATION (contribution);
4. Whether payment received by FAIRVIEW HOUSING MANAGEMENT CORPORATION is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by FAIRVIEW HOUSING MANAGEMENT CORPORATION, or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by FAIRVIEW HOUSING MANAGEMENT CORPORATION to individuals or organizations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organizations closely connected to the resource provider.

Accounting for Contributions

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of FAIRVIEW HOUSING MANAGEMENT CORPORATION in the period that FAIRVIEW HOUSING MANAGEMENT CORPORATION receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to FAIRVIEW HOUSING MANAGEMENT CORPORATION at the time the Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to be purchased by FAIRVIEW HOUSING MANAGEMENT CORPORATION if it had not been contributed,
 - b. It requires specialized skills (i.e. formal training in a trade or profession), and
 - c. It is provided by an individual possessing those specialized skills.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

Receipts and Disclosures

FAIRVIEW HOUSING MANAGEMENT CORPORATION and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by FAIRVIEW HOUSING MANAGEMENT CORPORATION, it shall provide a receipt to the donor. The receipt shall be prepared by the FAIRVIEW HOUSING MANAGEMENT CORPORATION Accounting Department. All receipts prepared by FAIRVIEW HOUSING MANAGEMENT CORPORATION shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received;
2. A statement of whether FAIRVIEW HOUSING MANAGEMENT CORPORATION provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by FAIRVIEW HOUSING MANAGEMENT CORPORATION, a description and good faith estimate of the value of those goods or services.

When FAIRVIEW HOUSING MANAGEMENT CORPORATION receives cash in excess of \$75, or noncash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which FAIRVIEW HOUSING MANAGEMENT CORPORATION receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by FAIRVIEW HOUSING MANAGEMENT CORPORATION is less than the value of cash or property provided by the donor). In such instances, FAIRVIEW

HOUSING MANAGEMENT CORPORATION shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by FAIRVIEW HOUSING MANAGEMENT CORPORATION may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by FAIRVIEW HOUSING MANAGEMENT CORPORATION. IRS rules provide for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions. As such, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall not provide receipts when it receives cash or property in excess of \$75 in any of the following circumstances:

1. The goods provided to the donor during 2001 bear FAIRVIEW HOUSING MANAGEMENT CORPORATION's name or logo and have an aggregate cost of \$7.60 or less;
2. The goods provided to the donor in 2001 have a fair market value equal to no more than 2% of the contribution or \$76, whichever is less; or
3. The gift received by FAIRVIEW HOUSING MANAGEMENT CORPORATION resulted from the Organization's 2001 fundraising appeal that included articles worth no more than \$7.60, as well as a request for contributions and a statement that the recipient may keep the article even if a contribution is not made.

The preceding thresholds are adjusted for inflation by the IRS on an annual basis. Inflation adjustments subsequent to 2001 are incorporated into this policy manual by reference.

All estimates of the fair market value of goods or services provided by FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be prepared by the accounting department.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

BILLING/INVOICING POLICIES

Overview

The following is a list of items billed and/or accrued and received by FAIRVIEW HOUSING MANAGEMENT CORPORATION and the frequency with which each is billed:

Quarterly Billings

1. None

Monthly Billings

1. Grants and contracts-if applicable (See separate section on "Policies Associated with Federal Awards" for billing policies associated with federal grant agreements)
2. Leases

Daily ("as needed") Billing

1. Room and board charges
2. Special service charges

Responsibilities for Billing and Collection

FAIRVIEW HOUSING MANAGEMENT CORPORATION's Accounting Department is responsible for collecting rent as well as the collection of outstanding receivables. (Note: Cash receipts and collection policies will be discussed in subsequent sections).

Accounts Receivable Entry Policies

Posting of receipts to the accounts receivable subsidiary ledger shall be performed by individuals independent of the cash receipts function of FAIRVIEW HOUSING MANAGEMENT CORPORATION

Adjustments to accounts receivable shall also be performed by an individual independent of the cash receipts function of FAIRVIEW HOUSING MANAGEMENT CORPORATION

Classification of Income and Net Assets

All income received by FAIRVIEW HOUSING MANAGEMENT CORPORATION is classified as "unrestricted", with the exception of the following:

1. Grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted
2. Special endowments received from donors requesting that these funds be permanently restricted for specific purposes

From time to time, FAIRVIEW HOUSING MANAGEMENT CORPORATION may raise other forms of contribution income which carry stipulations that FAIRVIEW HOUSING MANAGEMENT CORPORATION utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds. When this form of contribution income is received, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall classify this income as Temporarily Restricted income.

As with all Temporarily Restricted net assets, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), FAIRVIEW HOUSING MANAGEMENT CORPORATION will reclassify the related net assets from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

From time to time, the FAIRVIEW HOUSING MANAGEMENT CORPORATION Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as "unrestricted". However, to identify these funds as being set aside for special projects, such set-asides shall be labeled "Board-Designated" funds within the unrestricted net assets of FAIRVIEW HOUSING MANAGEMENT CORPORATION and shall be reported as a separate component of unrestricted net assets on the FAIRVIEW HOUSING MANAGEMENT CORPORATION financial statements.

CASH RECEIPTS

Overview

Cash (including checks payable to the organization) is the most liquid asset an organization has. Therefore, it is the objective of FAIRVIEW HOUSING MANAGEMENT CORPORATION to establish and follow the strongest possible internal controls in this area.

Processing of Rental Payments

For funds that are received directly at FAIRVIEW HOUSING MANAGEMENT CORPORATION (i.e. payments not mailed to a lockbox), cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

A prenumbered cash receipt is issued to the tenant upon receipt of rent. The duplicate receipt is maintained in numerical order. The individual preparing the daily list of receipts shall be someone that is not involved in the accounts receivable or accounts payable process.

A deposit slip is prepared from the cash/checks received and compared to the daily receipts listing for discrepancies. Deposits are prepared and taken to the bank by an individual other than the employee who prepared the daily cash receipts listing.

Endorsement of Checks

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that all checks received that are payable to the Organization shall immediately be restrictively endorsed by the individual who prepares the daily receipts listing. The restrictive endorsement shall be a rubber stamp that includes the following information:

1. For Deposit Only
2. FAIRVIEW HOUSING MANAGEMENT CORPORATION
3. The bank name
4. The bank account number of FAIRVIEW HOUSING MANAGEMENT CORPORATION

Timeliness of Bank Deposits

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that bank deposits will be made on a daily basis, unless the total amount received for deposit is less than \$500. In no event shall deposits be made less frequently than weekly.

Reconciliation of Deposits

On a periodic basis, the Treasurer, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated.

ACCOUNTS RECEIVABLE MANAGEMENT

Monitoring and Reconciliations

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding invoices by customer) is generated and reconciled to the general ledger by the accounting department. All differences are immediately investigated and resolved, and the reconciliation is reviewed by the Treasurer.

Rent Collections

Collections are performed on a monthly basis.

Tenants with unpaid balances after the fifth day of the month, receive written notice of rent due. If rent is not paid or appropriate arrangements made for payment, eviction procedures will commence.

Accounts Receivable Write-Off Authorization Procedures

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. If an account receivable is deemed uncollectible, approvals are required before the write-off is processed.

If write-off procedures have been initiated, the following accounting treatment applies:

Charges written off will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

Reserve for Uncollectible Accounts

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience
3. Evaluations of specific tenant accounts

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the Treasurer.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING POLICIES AND PROCEDURES

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY FAIRVIEW HOUSING MANAGEMENT CORPORATION

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL AWARDS."

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

Responsibility for Purchasing

All department heads shall have the authority to initiate purchases on behalf of their department, within the guidelines described in this policies manual. In addition, department directors may delegate purchasing authority to responsible individuals within their department. Department directors shall inform the accounting department of all individuals that may initiate purchases or prepare purchase orders. The accounting department shall maintain a current list of all authorized purchasers of FAIRVIEW HOUSING MANAGEMENT CORPORATION

The accounting department shall be responsible for processing purchase orders. The Treasurer has approval authority over all purchases and contractual commitments as defined in this policy. The Treasurer shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Non-Discrimination Policy

All vendors/contractors who are the recipients of Organization funds, or who propose to perform any work or furnish any goods under agreements with FAIRVIEW HOUSING MANAGEMENT CORPORATION shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex,

or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.

2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

Use of Purchase Orders

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to utilize a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e. total amount of goods and services purchased, not unit cost) in excess of \$500 or some other threshold established by the Organization, with the exception of travel advances and expense reimbursements, which require the preparation of a separate form described elsewhere in this manual. A properly completed Purchase Order shall contain the following information, at a minimum:

1. Specifications or statement of services required
2. Vendor name, address, point of contact and phone number
3. Source of funding (if applicable)
4. Delivery or performance schedules
5. Delivery, packing and transportation requirements
6. Special conditions (if applicable)
7. Catalog number, page number, etc. (if applicable)
8. Net price per unit, less discount, if any
9. Total amount of order
10. Authorized signature
11. Date PO prepared

Purchase orders shall be pre-numbered, kept in a secure area in the accounting department, and issued upon request from an authorized purchaser.

All purchase orders shall be recorded in a purchase order log. At the end of each accounting period, an aged outstanding purchase order report shall be prepared and distributed to each purchasing representative and the Treasurer.

Authorizations and Purchasing Limits

All completed purchase orders must be signed by the preparer and approved by the department director. In addition, the Treasurer must approve all purchases.

All contracts between FAIRVIEW HOUSING MANAGEMENT CORPORATION and outside parties must be reviewed and approved by the Treasurer, as well as the Administrator. The Administrator is authorized to enter into any contract on behalf of FAIRVIEW HOUSING MANAGEMENT CORPORATION. Contracts of \$1,000 or more must be reviewed and approved by the Board Chairman. These policies shall also apply to renewals of existing contracts.

Required Solicitation of Quotations from Vendors

Purchase decisions in excess of \$5,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, oral quotations from at least two (2) vendors.

Purchase decisions exceeding \$25,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving whenever possible, written quotations from at least two (2) vendors. Specific selections shall be recommended, via the Department Directors, to the Treasurer for approval with written quotations attached for review. Recommendations shall be based on consideration of all applicable criteria as described under "Evaluation of Alternative Vendors" below.

All Purchase decisions of \$100,000 or more shall be made by obtaining competitive proposals from at least three (3) responsible vendors. Sealed bids shall be utilized when required by a Federal awarding agency.

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled "Evaluation of Alternative Vendors" for required criteria)
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
5. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
7. A description of the proper format, if any, in which proposals must be submitted, including the name of the FAIRVIEW HOUSING MANAGEMENT CORPORATION person to whom proposals should be sent.
8. The date by which proposals are due.
9. Required delivery or performance dates/schedules.
10. Clear indications of the quantity requested and unit of measure.

Extensions of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, in the event that a prospective offerer requests an extension to a due date specified in a solicitation, and such an extension is both justified and compatible with the requirements of FAIRVIEW HOUSING MANAGEMENT CORPORATION, an extension may be granted by the purchasing representative.

Vendor proposals are considered late if received after the due date and time specified in the solicitation. All such late proposals shall be marked "Late Proposal" on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

Evaluation of Alternative Vendors

Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall

establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a vendor has been selected and approved by the department director, the final selection shall be approved by the Administrator prior to entering into a contract.

Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

Positive efforts shall be made by FAIRVIEW HOUSING MANAGEMENT CORPORATION to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved.

Single Distributor/Source:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated With Federal Awards."

Vendor Files and Required Documentation

The Accounting Department shall create a vendor folder for each new vendor from whom FAIRVIEW HOUSING MANAGEMENT CORPORATION purchases goods or services.

Upon making the initial purchase from any vendor (regardless of whether a contract is involved), the Accounting Department shall mail a blank Form W-9 to that vendor, along with a request for the vendor to complete and sign the W-9 or provide equivalent, substitute information and return it in the postage-paid envelope provided. Completed, signed Forms W-9 or substitute documentation shall be filed in each vendor's folder. Vendors who do not return a completed, signed Form W-9 or provide equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on "Government Returns."

See the section on "Payroll and Related Policies" for guidance on determining whether a vendor should be treated as an employee.

Ethical Conduct in Purchasing

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. Gifts to the Organization, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved without the approval of the Board. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, board members, employees and agents of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall neither solicit nor accept gratuities, favors, or anything of monetary value from

vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value (\$25 or less) may be accepted with the approval of the Administrator.

Receipt and Acceptance of Goods

A receiving department or designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point
2. Verify the quantity of boxes/containers with the bill of lading
3. Examine boxes/containers for exterior damage
4. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
5. Sign and date the bill of lading
6. Retain a copy of the bill of lading

When goods are moved to another area for thorough inspection, the following inspection procedures shall be performed:

1. Remove the packing slip from each box/container
2. Compare the description and quantity of goods per the purchase order to the packing slip
3. Examine goods for physical damage
4. Count or weigh items, if appropriate
5. Record an indication of counts on the purchase order

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to perform the preceding inspection procedures in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

POLITICAL INTERVENTION

Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Political intervention does not include lobbying activities, defined as the direct or indirect support or opposition for legislation, which is not prohibited under the Internal Revenue Code for FAIRVIEW HOUSING MANAGEMENT CORPORATION. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of FAIRVIEW HOUSING MANAGEMENT CORPORATION when these individuals are acting on behalf of, or are otherwise representing, the Organization.

Prohibited Use of Organization Assets and Resources

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that no assets or human resources of the organization shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of FAIRVIEW HOUSING MANAGEMENT CORPORATION. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing that they are acting on behalf of the Organization), these individuals must at all times be aware that Organization resources cannot at any time be utilized in support of political activities.

ACCOUNTS PAYABLE MANAGEMENT

Overview

FAIRVIEW HOUSING MANAGEMENT CORPORATION strives to maintain efficient business practices and good cost control. A well managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be supported by an approved purchase order where necessary, and should be reviewed and approved by a department director prior to being processed for payment. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a weekly basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Accounts Payable Cut-Off

For purposes of the preparation of the Organization's monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the tenth day of the following month shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end.

Establishment of Control Devices

Control of invoices is established by the Accounts Payable Clerk as soon as invoices are received. Vendors will be instructed to mail all invoices directly to the accounts payable department.

Upon receipt of invoices, each invoice shall be recorded on a log of invoices received, "date received" stamped, and distributed to the appropriate personnel for approval. The log is to be reviewed daily to determine which, if any, invoices have not been returned to the accounting department.

Preparation of a Voucher Package

Prior to any account payable being submitted for payment, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents:

1. Vendor invoice (or employee expense report)
2. Packing slip (where appropriate)
3. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
4. Purchase order (for purchases in excess of \$500)
5. Any other supporting documentation deemed appropriate

Processing of Voucher Packages

The following procedures shall be applied to each voucher package by the accounts payable clerk:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip and receiving report
3. Document the general ledger distribution, using the Organization's current chart of accounts
4. Obtain the review and approval of the department director (or their designee) associated with the goods or services purchased

Approvals by department directors indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account codings, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual.

Payment Discounts

To the extent practical, it is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under "Travel and Business Entertainment"). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Expense reports will be processed for payment in the next vendor payment cycle if received within two business days of the deadline. Expenses older than two months will not be reimbursed.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the Treasurer.

Also on a monthly basis, the Accounts Payable Clerk shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the Purchase Order file for open P.O.'s that are more than 60 days old and followup.

TRAVEL AND BUSINESS ENTERTAINMENT

Travel Advances

Funds will be advanced for upcoming travel only upon receipt of a completed and properly approved request for travel advance. Travel advances are generally limited to \$200 unless there is an extraordinary need for additional funds. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with the Organization's travel policies as explained later in this section.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgement of, and agreement to, these policies. Employees receiving travel advances must submit an expense report within 30 days of returning from travel. Any outstanding advances more than 30 days old will be deducted from an employee's next paycheck.

Employee and Director Business Travel

At the conclusion of an FAIRVIEW HOUSING MANAGEMENT CORPORATION business trip, an employee or member of the board of directors that has incurred business-related expenses should complete an Expense Report in accordance with the following policies:

1. Identify each separately incurred business expense (i.e. do not group all expenses associated with one trip together)
2. With the exception of tips, tolls and reimbursed mileage, all business expenses must be supported with invoices/receipts.
3. For all lodging and any expenditure other than meals, vendor receipts/invoices must be submitted. Credit card charge slips do not represent adequate supporting documentation - a hotel receipt must be obtained to substantiate all lodging expenditures.
4. For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
5. Mileage may be reimbursed at the standard federal rates currently in effect, as published each year by the IRS.
6. The business purpose of each trip must be adequately explained on each report.
7. Project/function codes must be identified for all expenditures.
8. For all meals and other business expenditures, the following must be clearly identified:
 - a. Names, titles, organizations, and business relationships of all persons entertained
 - b. The business purpose of the meal or other business event (topics discussed, etc.)
9. All expense reports must be signed and dated by the employee.
10. All expense reports must be approved by the employee's Department Director.
11. Only one expense report form should be prepared for each trip.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the Expense Report results in a balance due to FAIRVIEW HOUSING MANAGEMENT CORPORATION (as a result of receiving a travel advance greater than actual business expenditures), the employee

must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction.

No further travel advances will be issued to any employee who has an outstanding balance due to FAIRVIEW HOUSING MANAGEMENT CORPORATION from previous business trips.

Reasonableness of Travel Costs

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed; Travelers should stay in standard rooms
2. When utilizing rental cars, travelers should rent midsize or smaller vehicles; Share rental cars whenever possible
3. Business-related long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum; Expense reports should explain long-distance charges
4. Personal long-distance calls while away on business are reimbursable if kept to a minimum, such as one nightly call home to family; Personal calls in excess of this shall not be reimbursed
5. Whenever possible, travelers should utilize long-distance calling cards when placing calls while away on travel; Avoid using the hotel's long-distance service if possible
6. Reasonable tips for baggage handling shall be reimbursed; No receipts are required

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class; First class air travel shall not be reimbursed unless there is a documented medical reason
2. Memberships in airline flight clubs is not reimbursable
3. Cost of flight insurance is not reimbursable
4. When airfare is \$500 or more, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report
5. When returning on a Sunday or departing on a Saturday in order to obtain a cost savings in airfare due to the Saturday-night stayover, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stayover)
6. Cost of upgrade certificates is not reimbursable
7. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.)
8. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e. FAIRVIEW HOUSING MANAGEMENT CORPORATION will not reimburse for the personal legs of a trip)

Spouse/Partner Travel

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION not to reimburse any employee or board member for separate travel costs (air fare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner for purposes of this policy.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to print vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked safe in the accounting department)
7. Checks shall never be made payable to "bearer" or "cash"
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

Check Signing

Checks of less than \$3,000 require a single signature. Checks of \$3,000 or more require two signatures. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that each check shall be signed by an individual other than the one who approved the transaction for payment.

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

Mailing of Checks

After signature, checks are returned to the individual who prepared them, who then mails checks immediately. Checks shall not be mailed by individuals who authorize expenditures.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

Record-Keeping Associated with Independent Contractors

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to consider all relevant facts and circumstances regarding the relationship between FAIRVIEW HOUSING MANAGEMENT CORPORATION and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between FAIRVIEW HOUSING MANAGEMENT CORPORATION and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by FAIRVIEW HOUSING MANAGEMENT CORPORATION in making employee/contractor determinations shall include:

1. Behavioral control:
 - a. Instructions given by FAIRVIEW HOUSING MANAGEMENT CORPORATION to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - (1) When and where to work
 - (2) What tools or equipment to use
 - (3) What workers to hire or to assist with the work
 - (4) Where to purchase supplies and services
 - (5) What work must be performed by a specified individual
 - (6) What order or sequence to follow
 - b. Training provided by FAIRVIEW HOUSING MANAGEMENT CORPORATION to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
2. Financial control:
 - a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)
 - b. The extent of the worker's investment in the facilities/assets used in performing services for FAIRVIEW HOUSING MANAGEMENT CORPORATION (greater investment associated with contractors)

- c. The extent to which the worker makes services available to the relevant market
 - d. How FAIRVIEW HOUSING MANAGEMENT CORPORATION pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
 - e. The extent to which the worker can realize a profit or loss.
3. Type of Relationship:
- a. Written contracts describing the relationship that FAIRVIEW HOUSING MANAGEMENT CORPORATION and the individual intend to create
 - b. Whether FAIRVIEW HOUSING MANAGEMENT CORPORATION provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship
 - c. The extent to which services performed by the worker are a key aspect of the regular business of FAIRVIEW HOUSING MANAGEMENT CORPORATION

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the FAIRVIEW HOUSING MANAGEMENT CORPORATION personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

Payroll Administration

For all FAIRVIEW HOUSING MANAGEMENT CORPORATION employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in FAIRVIEW HOUSING MANAGEMENT CORPORATION's Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

1. FAIRVIEW HOUSING MANAGEMENT CORPORATION Employment Application (and resume, if applicable)
2. Applicant references (work & personal)
3. Interview questions and notes
4. Form W-4 Employee Federal Withholding Certificate

5. Form 1-9 Employment Eligibility Verification
6. Copy of driver's license
7. Copy of Social Security card issued by the Social Security Administration
8. Starting date and scheduled hours
9. Job title and starting salary
10. Authorization for direct deposit of paycheck, along with a voided check or deposit slip

For employees without a current, valid driver's license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter's registration card
4. U.S. Military card
5. ID card issued by a federal, state or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified copy of a birth certificate issued by a state, county or municipal authority
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen ID Card (INS Form 1-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form 1-179)

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

Changes in Payroll Data

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the appropriate department director.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

Payroll Taxes

The Accounting Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Accounting Department may utilize the services of an outside payroll service center for the processing of payroll, as determined by the Treasurer.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to obtain an updated Form W-4 from each employee in January of each year. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Preparation of Timesheets

Each FAIRVIEW HOUSING MANAGEMENT CORPORATION employee must submit to the Accounting Department a signed and approved timesheet . Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not
2. Timesheets shall be prepared in ink
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e. employees shall not use "white out" or correction tape)
4. Employees shall identify and record hours worked based on the nature of the work performed;
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such;
6. Timesheets shall be signed by the employee prior to submission.

After preparation, timesheets shall be approved by Department Directors or their designees, prior to submission to the accounting department. Corrections identified by an employee's supervisor (Department Director) shall be authorized by the employee by placing the employee's initials next to the change.

An Organization employee who is on leave, on travel, or is ill on the day that timesheets are due may telephone or e-mail timesheet information to his or her supervisor (or designated alternate). Time so submitted must reflect the actual time worked and the appropriate classifications. The employee must initial a timesheet submitted in this manner immediately upon his/her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or e-mail by (employee) to (supervisor or designated alternate)." The timesheet shall be signed by the supervisor or the designated alternate.

Processing of Timesheets

Processing of timesheets in the accounting department is performed by the Payroll Clerk. The Payroll Clerk checks all timesheets for mathematical accuracy, then inputs all timesheets into the payroll system or calls payroll into the payroll service center.

The Payroll Clerk may not change or correct timesheets. When errors are noted, if a corrected and approved timesheet is not re-submitted in time to the Payroll Clerk, the employee may not receive a pay check until the next pay period.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll

Upon production of all payroll reports and checks or return of payroll reports and checks from the payroll service center, the Treasurer reviews payroll prior to its distribution to employees. The Treasurer shall sign the payroll register, indicating approval of the payroll.

Distribution of Payroll

Payroll payments (or check stubs for electronic deposits) shall be distributed by individuals who do not approve time sheets, are not responsible for hiring and firing, and do not control the preparation of payroll.

POLICIES PERTAINING TO SPECIFIC ASSET AND LIABILITY ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. Deposits received at the FAIRVIEW HOUSING MANAGEMENT CORPORATION office are made to this account.

Bank Reconciliations

Bank account statements are received each month and forwarded unopened to a Director-level employee who is not involved in the accounting department. This individual shall open the statement and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. Unusual or unexplained items shall be reported immediately to the audit committee.

After this review is complete, the entire bank statement is forwarded to the accounting department, where a reconciliation between the bank balance and general ledger balance is prepared by someone who is not an authorized check signer. It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to complete the bank reconciliation process within one week of receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Treasurer on a monthly basis. Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. All canceled checks returned with bank statements shall be filed in numerical order by bank account and month.

Cash Flow Management

The Treasurer monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met.

Stale Checks

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to write off checks of \$1,000 or less that are more than 6 months old that have not cleared the Organization's bank. For uncashed checks that are more than 6 months old and that exceed \$1,000, contact will be made with the payee to resolve the issue.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

Petty Cash

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to provide for imprest funds (used for payment of minor office expenditures, not for travel or employee advances) only for valid transactions and to periodically replenish these funds up to its authorized balance of \$200. It is the responsibility of the Accounts Payable Clerk to ensure that the petty cash fund is locked at all times.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

The petty cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the Treasurer, who may also perform periodic surprise cash counts and reconciliations.

Wire Transfers

The Treasurer shall be the only FAIRVIEW HOUSING MANAGEMENT CORPORATION employees authorized to transact wire transfers from FAIRVIEW HOUSING MANAGEMENT CORPORATION bank accounts. To prevent anyone other than the Treasurer from transacting wire transfers, a system shall be employed that requires the use of passcodes and the calculation of a test-key for each wire transfer. Passcodes, issued only to the Treasurer and Administrator, are assigned by the bank and are changed annually.

Confirmations of all wire transfers are delivered to the Treasurer.

PREPAID EXPENSES

Accounting Treatment

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. For purposes of this policy, payments of less than \$500 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The accounting department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

INVESTMENT POLICIES

Introduction

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to treat all assets of the organization, including those funds that are legally unrestricted, as though they are held by FAIRVIEW HOUSING MANAGEMENT CORPORATION in a fiduciary capacity for the purpose of accomplishing the organization's tax-exempt mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be those of a prudent investor.

Delegation of Authority

The board of directors of FAIRVIEW HOUSING MANAGEMENT CORPORATION has delegated supervisory authority over its investing activities to the Finance Committee of the board. The Finance Committee is responsible for regularly reporting on the organization's investments to the full board of directors.

The Finance Committee is authorized to retain one or more Investment Counselors to assume the investment management function. In that regard, the Finance Committee may enter into agreements with, delegate investment authority to, pay compensation to, and receive reports from one or more Investment Counselors.

Investment Objectives

FAIRVIEW HOUSING MANAGEMENT CORPORATION's investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

Allowable Investments

Investments of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be made exclusively with the following securities:

1. Federally-insured Certificates of Deposit, not to exceed \$100,000, including interest, at commercial banks or savings and loan institutions;
2. U.S. Treasury securities and securities of Federal agencies and instrumentalities;
3. Repurchase agreements with financial institutions, collateralized by U.S. Treasury or Federal agency securities;
4. Corporate bonds and notes rated A or better by Moody's and Standard & Poors;
5. Commercial paper rated P-1/A-1 by Moody's and Standard & Poors;

6. Money market funds that invest in securities approved under these guidelines.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall not engage in margin transactions, short selling, commodity transactions or use of derivatives.

Diversification

No more than ten percent of the investments of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be in the securities of any one issuer, with the exception of obligations of the U.S. government, its agencies and instrumentalities, and federally-insured certificates of deposit.

Accounting Treatment

All purchased investments shall initially be recorded at cost. All investments acquired by donation to FAIRVIEW HOUSING MANAGEMENT CORPORATION shall initially be recorded at their fair market value as of the date of donation. Donated investments shall be recorded as unrestricted, temporarily restricted, or permanently restricted income and net assets based on the existence or absence of such restrictions, as defined earlier.

Subsequent to acquisition, it shall be the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to carry all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made in the accounting records and financial statements of FAIRVIEW HOUSING MANAGEMENT CORPORATION on a quarterly basis.

Adjustments to market value result in unrealized gains and losses on investments. Such gains and losses resulting from contributed investments shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the donor, as defined earlier.

Procedures and Reporting

The following procedures will be followed to ensure that investments are properly managed and that these investment policies are consistent with the mission of FAIRVIEW HOUSING MANAGEMENT CORPORATION and accurately reflect the current financial condition of the Organization:

1. The Treasurer shall maintain a schedule of investments and reconcile this schedule with the general ledger and with investment account statements on a monthly basis. The schedule of investments shall include the following information with respect to each investment:
 - a. Date acquired
 - b. Method of acquisition (purchase or donation)
 - c. Cost or basis at acquisition
 - d. Description of investment

- e. Interest rate (if applicable)
 - f. Date of maturity (if applicable)
 - g. Holder/issuer of security
 - h. Current market value
 - i. Unrealized gain or loss
 - j. Accrued interest receivable (if applicable)
 - k. Income received, year-to-date (i.e. interest, dividends, etc.)
2. The Treasurer and Investment Counselor shall prepare a schedule of investments for presentation on a quarterly basis for the Finance Committee and on an annual basis for the Board of Directors.
 3. The quarterly investment reports shall detail the portfolio's composition and performance for the quarter and year-to-date, along with a comparison to budget and to the prior year.
 4. The annual investment report shall be presented to the Board of Directors at the time the FAIRVIEW HOUSING MANAGEMENT CORPORATION audit is presented, outlining in detail the investment portfolio's composition and performance for the fiscal year, along with a comparison to appropriate market indices. The report will show results for the most recently-completed fiscal year and for last three years.
 5. Investment policies shall be reviewed annually by the Treasurer and the Administrator, working with the Finance Committee, to determine any appropriate modifications.
 6. Recommendations for any revisions or modifications to the investment policy will be made by the Finance Committee to the Board of Directors for their approval.

FIXED ASSET MANAGEMENT

Capitalization Policy

Physical assets acquired with unit costs in excess of \$500 are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Contributed Assets

Assets with fair market values in excess of \$500 (per unit) that are contributed to FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by FAIRVIEW HOUSING MANAGEMENT CORPORATION. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Treasurer.

Receipt of Newly-Purchased Equipment and Furniture

At the time of arrival, all newly-purchased equipment and furniture shall be "eyeballed" for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method or accelerated method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture, and fixtures	Up to 10 yrs
General office equipment	5 yrs
Computer hardware and peripherals	3-5 yrs
Computer software	2-3 yrs
Leased assets Leasehold	life of lease
Improvements	remaining lease term

Alternatively, at the direction of the Treasurer, capitalized assets may be depreciated over useful lives expressed in terms of units of production or hours of service in place of the preceding useful lives expressed in terms of time.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

Repairs of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair

costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Dispositions of Fixed Assets

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value.

Write-Offs of Fixed Assets

The Treasurer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Treasurer. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

Classification of Leases

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to classify all leases in which the Organization is a lessee as either capital or operating leases. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to FAIRVIEW HOUSING MANAGEMENT CORPORATION at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property;
or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of FAIRVIEW HOUSING MANAGEMENT CORPORATION's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred. For leases with firm commitments for lease payments that vary over the term of the lease (i.e. a lease with fixed annual increases that are determinable upon signing the lease), the amount that FAIRVIEW HOUSING MANAGEMENT CORPORATION shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability of FAIRVIEW HOUSING MANAGEMENT CORPORATION

All leases that are classified as capital leases shall be treated as fixed asset additions of FAIRVIEW HOUSING MANAGEMENT CORPORATION. As such, upon the inception of a capital lease, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line and accelerated methods of depreciation.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms.

ACCRUED LIABILITIES

Identification of Liabilities

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by FAIRVIEW HOUSING MANAGEMENT CORPORATION at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay (see policy below)
- Rent
- Interest on notes payable
- Commissions
- Royalties

In addition, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies of FAIRVIEW HOUSING MANAGEMENT CORPORATION permit employees to carry forward unused leave from year to year. Such unused leave is payable to an employee upon termination of employment.

Accordingly, it shall be the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to record a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave multiplied by each employee's current hourly pay rate.

Leave that does not "vest" with employees (i.e. leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability of FAIRVIEW HOUSING MANAGEMENT CORPORATION

NOTES PAYABLE

Record-Keeping

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent
10. Contact person at lender

Accounting and Classification

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due with the next year shall be classified as a current liability in the statement of financial position of FAIRVIEW HOUSING MANAGEMENT CORPORATION. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

Non-Interest-Bearing Notes Payable

As a charitable organization, FAIRVIEW HOUSING MANAGEMENT CORPORATION may from time to time receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, it shall be the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to record contribution income for any unpaid interest.

For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by FAIRVIEW HOUSING MANAGEMENT CORPORATION

For loans with fixed maturities or payment dates, the note payable shall be recorded at the present value of the future principal payments, using as a discount rate the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by FAIRVIEW HOUSING MANAGEMENT CORPORATION The difference between the cash proceeds of the note and the present value shall be recorded as contribution income in the period the loan is made. Thereafter, interest expense shall be recorded in each accounting period using the effective interest method, with the corresponding credit entry increasing the note payable account to reflect the amount(s) that shall be repaid.

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING

FINANCIAL STATEMENTS

Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of FAIRVIEW HOUSING MANAGEMENT CORPORATION that are maintained on an organization-wide basis shall include:

1. **Statement of Financial Position** - reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term
2. **Statement of Activities** - presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)
3. **Statement of Cash Flows** - reports the cash inflows and outflows of the organization in three categories: operating activities, investing activities, and financing activities

Frequency of Preparation

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis, by the 15th of each month. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 10th of the month, and actual depreciation expense.

Review and Distribution

All financial statements and supporting schedules shall be review and approved by the Treasurer prior to being issued by the Accounting Department.

After approval by the Treasurer, a complete set of monthly financial statements, including the supplemental schedules described above, shall be distributed to the following individuals:

1. Treasurer
2. Administrator
3. Department Directors and any other employee with budget-monitoring responsibilities
4. Board of Directors

Financial statements may include an additional supplemental schedule prepared or compiled by the Treasurer. The purpose of this schedule is to provide known explanations for material budget variances in accordance with FAIRVIEW HOUSING MANAGEMENT CORPORATION's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

Annual Financial Statements

A formal presentation of the Organization's annual financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Organization's Annual Meeting, at which a vote will be taken to accept or reject the annual financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

GOVERNMENT RETURNS

Overview

To legitimately conduct business, FAIRVIEW HOUSING MANAGEMENT CORPORATION must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of FAIRVIEW HOUSING MANAGEMENT CORPORATION include, but are not limited to, filing annual information returns with IRS, property tax returns, income tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

Filing of Returns

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Treasurer shall be responsible for identifying all filing requirements and assuring that FAIRVIEW HOUSING MANAGEMENT CORPORATION is in compliance with all such requirements.

It is also the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to file complete and accurate returns with all authorities. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by FAIRVIEW HOUSING MANAGEMENT CORPORATION include, but are not limited to, the following returns:

1. **Form 990** - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for FAIRVIEW HOUSING MANAGEMENT CORPORATION is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **Form 990-T** - Annual tax return to report FAIRVIEW HOUSING MANAGEMENT CORPORATION's unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.
3. **Form 5500** - Annual return for FAIRVIEW HOUSING MANAGEMENT CORPORATION's employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
4. **Annual Report** - Filed with the State of Virginia to report officers of the corporation. FAIRVIEW HOUSING MANAGEMENT CORPORATION's annual reports are due April 1.
5. **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to

employees and independent contractors by January 31 and to federal government by February 28.

6. **Form 940** - Annual federal unemployment tax return filed with IRS, for all employers other than charitable organizations exempt from FUTA (but not necessarily state unemployment tax) under IRC section 501(c)(3), due January 31.
7. **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

FAIRVIEW HOUSING MANAGEMENT CORPORATION's fiscal and tax year-end is June 30. All annual tax and information returns of FAIRVIEW HOUSING MANAGEMENT CORPORATION (Form 990, Form 990-T) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Organization's external Payroll Administrator.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each FAIRVIEW HOUSING MANAGEMENT CORPORATION employee.

Public Access to Information Returns

Under regulations that became effective in 1999, FAIRVIEW HOUSING MANAGEMENT CORPORATION is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990), excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
2. FAIRVIEW HOUSING MANAGEMENT CORPORATION's original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of FAIRVIEW HOUSING MANAGEMENT CORPORATION during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Treasurer shall be responsible for maintaining this copy of each form and for making it available to all requesters.

2. For all written requests for copies of forms received by FAIRVIEW HOUSING MANAGEMENT CORPORATION, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, FAIRVIEW HOUSING MANAGEMENT CORPORATION will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged by FAIRVIEW HOUSING MANAGEMENT CORPORATION for providing copies of requested forms shall be \$1.00 for the first page copies and \$0.15 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, thus, shipping charges will be a standard \$3.00 per shipment.
4. After payment is received by FAIRVIEW HOUSING MANAGEMENT CORPORATION, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.
6. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall accept certified checks and money orders for requests for copies made in person. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall accept certified checks, money orders and credit cards (or personal checks) as payment for copies of forms requested in writing.

UNRELATED BUSINESS ACTIVITIES

Identification and Classification

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of FAIRVIEW HOUSING MANAGEMENT CORPORATION in order to facilitate tracking and accumulation of unrelated trade or business activities.

Reporting

It is the Policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION not to distribute copies of Form 990-T to anyone other than management of the Organization.

FINANCIAL MANAGEMENT POLICIES

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Preparation and Adoption

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to prepare an annual budget on the accrual basis of accounting. To prepare the Organization budget, the Treasurer shall gather proposed budget information from all others with budgetary responsibilities and prepares the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years.

After appropriate revisions and a compilation of all department budgets by the Treasurer, a draft of the organization-wide budget, as well as individual department budgets, is presented to the Administrator for discussion, revision, and initial approval.

The revised draft is then submitted to the Finance Committee of the Board of Directors, and finally to the entire Board of Directors for adoption.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to adopt a final budget at least 30 days before the beginning of the Organization's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the accounting department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Monitoring Performance

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the accounting department and distributed to each employee with budgetary responsibilities. These individuals shall be responsible for responding with a written explanation of all budget variances in excess of five percent on a quarterly basis.

Budget Modifications

After a budget has been approved by the board of directors and adopted by the Organization, reclassifications of budgeted expense amounts of less than \$5,000 within a single department may be made by the Department Director, with approval from the Treasurer. Reclassifications of budgeted expense amounts across departments of less than \$10,000 may be made only with approval of the Administrator.

Reclassifications in excess of the preceding thresholds, and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues shall be made only with approval of the Finance Committee.

ANNUAL AUDIT

Role of the Independent Auditor

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by FAIRVIEW HOUSING MANAGEMENT CORPORATION will be required to communicate directly with the Organization's Administrator upon the completion of their audit. In addition, members of the Executive Committees are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the Organization's Annual Meeting.

Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by FAIRVIEW HOUSING MANAGEMENT CORPORATION in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit organizations and federal reporting requirements under OMB Circular A-133
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

If FAIRVIEW HOUSING MANAGEMENT CORPORATION decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, tax returns, etc.)
4. Identification of meetings requiring their attendance, such as staff or Board of Director meetings
5. Organization chart of FAIRVIEW HOUSING MANAGEMENT CORPORATION
6. Chart of account information
7. Financial information about the organization
8. Copy of prior year reports (financial statements, management letters, etc.)
9. Identification of need to perform audit in accordance with OMB Circular A-133
10. Other information considered appropriate
11. Description of proposal and format requirements
12. Due date of proposals
13. Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)

14. Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms shall be:

1. Firm background
2. Biographical information (resumes) of key firm member who will serve FAIRVIEW HOUSING MANAGEMENT CORPORATION
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

In order to narrow down the proposals to the top selections, the Treasurer shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. After the Treasurer narrows down the field of prospective auditors, final interviews of each firm are conducted by a final recommendation to the board of directors for approval.

Preparation for the Annual Audit

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

Planning - The Treasurer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Organization staff will as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of FAIRVIEW HOUSING MANAGEMENT CORPORATION from its independent auditor, the Treasurer shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of FAIRVIEW HOUSING MANAGEMENT CORPORATION
3. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Treasurer.

It shall also be the responsibility of the Treasurer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

Audit Committee Responsibilities - (IF Appointed)

In accordance with the FAIRVIEW HOUSING MANAGEMENT CORPORATION by-laws, there may be an Audit Committee consisting of three members. The term of office shall be for three years, with one member being elected by the FAIRVIEW HOUSING MANAGEMENT CORPORATION Board of Directors each year.

The Audit Committee's responsibilities include, but shall not be limited to, the following:

1. Appointment of, and communication with, the Organization's independent auditors
2. Review and approval of the annual, audited financial statements
3. Discussion of internal control matters with the independent auditor
4. Responding to any reported instances of fraud involving FAIRVIEW HOUSING MANAGEMENT CORPORATION or its employees
5. Conducting a quarterly analysis of the Organization's financial statements
6. Making policy and other recommendations to the FAIRVIEW HOUSING MANAGEMENT CORPORATION board of directors regarding matters arising out of the audit

In fulfilling these duties and responsibilities, the Audit Committee is entitled to examine any and all documents within the control of FAIRVIEW HOUSING MANAGEMENT CORPORATION and its employees. In addition, the Audit Committee shall have the authority to contract with independent contractors in the fulfillment of the committee's responsibilities.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of FAIRVIEW HOUSING MANAGEMENT CORPORATION

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

Coverage Guidelines

As a guideline, FAIRVIEW HOUSING MANAGEMENT CORPORATION will arrange for the following types and levels of insurance as a minimum:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive Liability	\$1,000,000
Automobiles for Employees, Volunteers, or Escorts	\$1,000,000
Employee dishonesty/bonding	\$1,000,000 for all accounting department employees and the Administrator
Fire and Water Damage	Coverage for all items with acquisition cost greater than \$1,000
Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost greater than \$1,000
Workers' Compensation	To the extent required by law

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

1. Description (type of insurance)
2. Agent and insurance company, including all contact information
3. Coverage and deductibles
4. Premium amounts and frequency of payment
5. Policy effective dates

6. Date(s) premiums paid and check numbers

Insurance Definitions

Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy except when contract operations are so commingled that it would not be practical to require this coverage.

Fidelity Bond

For all personnel handling cash, preparing or signing checks, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of the organization will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

RECORD RETENTION

Policy

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the Treasurer, and logged into the Organization's Destroyed Records Log. The formal records retention policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION is as follows:

Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Audit reports	Permanently
Bank reconciliations	3 Years
Bank Statements	3 Years
Chart of Accounts	Permanently
Cancelled Checks	7 Years
Contracts, mortgages, notes and leases:	
Expired	7 Years
Still in effect	Permanently
Correspondence:	
General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 Years
Employment applications	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years
Insurance records (policies, claims, etc.)	Permanently
Internal audit reports	3 Years+
Internal reports	3 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	Permanently
Minute books of directors, bylaws and charters	Permanently
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Physical inventory tags	3 Years
Property records (incl. depreciation schedules)	Permanently

Purchase orders:	
Purchasing department copy	7 Years
Other copies	1 Year
Receiving sheets	1 Year
Retirement and pension records	Permanently
Requisitions	1 Year
Sales records	7 Years
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	7 Years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher register and schedules	7 Years
Withholding tax statements	7 Years

FUNCTIONAL EXPENSE ALLOCATIONS

Overview

As one of its financial management objectives, FAIRVIEW HOUSING MANAGEMENT CORPORATION strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible.

Direct Charging of Costs

Certain internal costs shall be directly charged to the appropriate FAIRVIEW HOUSING MANAGEMENT CORPORATION function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

<u>Cost</u>	<u>Basis For Charge</u>
Salaries	Timesheets (hours) or number of employees in a function
Occupancy (facilities) costs	Actual square footage used by each function
Long-Distance Telephone	Actual use, based on codes
Photocopying	Actual use, based on codes
Postage	Actual, per postage log
Supplies	Actual, per usage forms

With the exception of salaries, which are recorded with each payroll cycle, all other costs identified above shall be initially charged to one account when incurred, then allocated and recorded to the appropriate functions via quarterly journal entries.

Allocation of Overhead Costs

On a quarterly basis, an allocation of overhead to each program service and supporting activity area shall be recorded via a journal entry. Overhead shall be allocated based on direct salaries charged to each function. Costs included in overhead to be allocated include all costs associated with building occupancy, building and equipment maintenance, and any other cost that benefits all functions of the Organization.

General and administrative costs shall not be allocated to program service or other supporting functions of the Organization.

Integrity and Ethical Values

The Executive Staff (Executive Director and Director of Operations) provide oversight of the work environment. The ES demands honesty and integrity and encourages employees to do the "right" thing. There is no formal code-of-conduct, but The ES reinforces these values in daily activities.

Management's Philosophy and Operating Style

The Executive Staff (Executive Director and Director of Operations) manage the day-to-day operations. The Board of Directors is closely involved with operations and demonstrate a positive attitude toward internal control and a conservative attitude in project operations and financial reporting. The BOD has a high regard for maintaining reliable accounting and compliance with established policies and procedures. They influence employees to be conscientious in their duties.

The ES and the BOD use information generated by the financial reporting system to monitor the revenue, expenses, and needs of Fairview's various locations. Consolidated reports are generated at year end. Monthly YTD financial reports prepared by the bookkeeper and reviewed by ES and the BOD.

Organization Structure

The BOD sets company policy. The ES oversees all projects and staff. He also relies on the bookkeeper, to monitor activity at Fairview's various locations.

Assignment of Authority and Responsibility

The BOD sets company policy and makes all critical operating decisions. The officers monitor operations and reviews key matters. Employee job descriptions are informal-employees are aware of their responsibilities. Only the president and bookkeeper have access to the computers system.

Risk Assessment

Fairview has consistently shown losses. The current real estate environment has affected the construction portion of Fairview. The BOD considers the risks and makes changes within the organization. Policies and procedures are modified as needed to maintain reliable financial reporting and effective safeguarding of assets. The Board consults their outside accountant for information about new accounting pronouncements and the drafting of their annual financial statements.

Communication

Communication is informal at all levels.

Monitoring

At board meetings, the BOD monitors activities, and on an ongoing basis the ES is directly involved in most aspects of the business. The ES visits the various entities as needed and is easily accessible to on-site employees (both direct employees and in-kind employees) as well

as to the bookkeeper who prepares the monthly reports, which are reviewed by the ES. If there are any problems reported, they are investigated immediately.

Use of Financial Controls

The importance of following of internal control procedures is the responsibility of the Executive Director and the Director of Operations, as well as overseeing all activities of Fairview Housing. The on-site managers work directly with the ED and DO to resolve any issues that need to be addressed.

Cash receipts are issued by on-site managers at each location-each receipt is listed on the deposit slip and sent to bookkeeping for posting. Each deposit is separately recorded in the general ledger detail. Purchase receipts are received upon sale and posted upon receipt of the closing statement. A running cash balance is maintained. All posting is done by the bookkeeper who reviews receipts and matches them to bank deposit.

Grant payments are done by direct deposit on a monthly or quarterly basis.

Cash disbursements are supported by an invoice which are approved by the on-site manager and sent to the bookkeeper who posts the expenditure to the general ledger.

Bank reconciliation is completed by the bookkeeper and reviewed by the ED and DO. The ED and DO review invoices, receipts, and disbursements for the period at the end of each month. The ED and DO also assists the bookkeeper if there are any unusual transactions during the month.

Past due rents, (receivables) are prepared by the on-site managers monthly but are not posted except at year-end. This method assists the bookkeeper and management in monitoring cash flow.

Fixed asset purchases follow the same procedures as those for cash disbursements.

Policy for Monitoring Grants

The executive director is responsible for monitoring grants. The ED approves the grant requests submitted and verifies that funds are spent as required through communication with his bookkeeper and employees at the grant location. Records supporting the receipt and disbursement of grant funds are maintained at 100 E. Millard Street, Johnson City, Tennessee. The ED and the bookkeeper are the only persons having access to the files, invoices and bookkeeping.

Capitalization Policy

The organization capitalizes items with estimated useful life in excess of one year. The assets are depreciated over their estimated lives using the straight-line method or declining balance method.

POLICIES PERTAINING TO FEDERAL AWARDS

ADMINISTRATION OF FEDERAL AWARDS

Definitions

There are several types of agreements through which FAIRVIEW HOUSING MANAGEMENT CORPORATION may receive financial assistance from a donor/granter agency:

Grant: A financial assistance award given to the organization to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the organization agrees to provide supplies or services and the donor agrees to pay for them.

Cooperative Agreement: A legal agreement where the organization implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the Treasurer prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the Administrator.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Accounting Department shall review the terms, time periods, award amounts and expected expenditures associated with the award. A CFDA (*Catalog of Federal Domestic Assistance*) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

Compliance with Laws, Regulations and Provisions of Awards

FAIRVIEW HOUSING MANAGEMENT CORPORATION recognizes that as a recipient of Federal funds, the Organization is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Organization meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, a FAIRVIEW HOUSING MANAGEMENT CORPORATION employee within the department responsible for administering the award will be designated as "Grant/Project Manager" (GPM).
2. Each GPM shall attend a class on grant management prior to beginning their role as a GPM (or as early in their functioning as a GPM as practical). Thereafter, all GPM's shall attend refresher/update courses on grant management every two years.
3. The GPM shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
 - b. Review the "OMB Circular A-133 Compliance Supplement" (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
 - c. Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
4. The Accounting Department shall forward copies of applicable laws regulations to the GPM (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations).
5. The GPM and/or the FAIRVIEW HOUSING MANAGEMENT CORPORATION Accounting Department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
6. The GPM shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the "OMB Circular A-133 Compliance Supplement", and communications with Federal awarding agency personnel.
7. The GPM shall cooperate with the Organization's Independent Auditors by informing the CPA firm as to applicable laws, regulations, and provisions of contracts and grants and communicating known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

Billing and Financial Reporting

FAIRVIEW HOUSING MANAGEMENT CORPORATION strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of Director of Revenue.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to FAIRVIEW HOUSING MANAGEMENT CORPORATION:

1. It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
4. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent FAIRVIEW HOUSING MANAGEMENT CORPORATION's year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of FAIRVIEW HOUSING MANAGEMENT CORPORATION by the Treasurer.

If a federal award authorizes the payment of cash advances to FAIRVIEW HOUSING MANAGEMENT CORPORATION, the Treasurer may request that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall reflect a liability equal to the advance. As part of the monthly close-out and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Cash Drawdowns Under Letters of Credit

Cash drawdowns under letters of credit from federal agencies shall be made in conjunction with the accounts payable and payroll schedule, based on need. All federal funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual.

The Treasurer shall draw cash from the U.S. Treasury based on a computer listing of anticipated cash disbursements due to be paid within the next week. Adjustments to this estimate shall be made for known exceptions, such as staff going on or returning from leave, non-recurring purchases, etc.).

In addition, the following schedule shall be completed to reconcile Federal cash on hand and to estimate the organization's need for additional Federal funds:

+	Federal cash drawn to date
	YTD expenses as of the end of the prior month
	<u>Estimated disbursements this month to date</u>
=	Subtotal (Estimated cash on hand today)
	<u>Estimated disbursements this week</u>
=	<u>Amount to be requested</u>

Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by FAIRVIEW HOUSING MANAGEMENT CORPORATION are subject to all of the specific FAIRVIEW HOUSING MANAGEMENT CORPORATION purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the small purchase acquisition threshold (currently \$100,000), procurement records and files shall be maintained to include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.

5. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall make all procurement files available for inspection upon request by a Federal Awarding Agency.
6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency.

In addition, no employee, officer, or agent of FAIRVIEW HOUSING MANAGEMENT CORPORATION shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Solicitations of Bids from Vendors

All purchases in excess of \$2,000 but less than \$25,000 shall be made by obtaining oral or written quotations from at least two responsible vendors.

All purchases of at least \$25,000, but less than \$100,000, shall be made by obtaining written quotations from at least two responsible vendors.

All purchases of \$100,000 or more shall be made by obtaining competitive proposals from at least three responsible vendors. Sealed bids shall be utilized when required by the Federal awarding agency.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall not utilize the "cost-plus-a-percentage-of-cost" method of contracting with vendors.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of FAIRVIEW HOUSING MANAGEMENT CORPORATION, described in the section of this manual on "Policies Associated With Expenditures and Disbursements."

Provisions Included in all Contracts

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to include all of the following provisions, as applicable, in all contracts (including small purchases) with vendors and sub-grants to grantees:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

2. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and subgrants in excess of \$2,000 for construction or repair awarded by FAIRVIEW HOUSING MANAGEMENT CORPORATION and its subrecipients shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to report all suspected or reported violations to the Federal awarding agency.
3. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by FAIRVIEW HOUSING MANAGEMENT CORPORATION and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall report all suspected or reported violations to the Federal awarding agency.
4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** [Where applicable] All contracts awarded by FAIRVIEW HOUSING MANAGEMENT CORPORATION in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and FAIRVIEW HOUSING MANAGEMENT CORPORATION in any

resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or sub-grants of \$100,000 or more, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.
8. **Debarment and Suspension (E.O.s 12549 and 12689):** For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000), FAIRVIEW HOUSING MANAGEMENT CORPORATION shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs.
9. **Remedies:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
10. **Termination:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain suitable provisions for termination by FAIRVIEW HOUSING MANAGEMENT CORPORATION, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Equipment and Furniture Purchased With Federal Funds

FAIRVIEW HOUSING MANAGEMENT CORPORATION may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those

policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by FAIRVIEW HOUSING MANAGEMENT CORPORATION, described under Asset Management.

All purchases of "equipment" with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to FAIRVIEW HOUSING MANAGEMENT CORPORATION for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, FAIRVIEW HOUSING MANAGEMENT CORPORATION shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.
4. The FAIRVIEW HOUSING MANAGEMENT CORPORATION Grant Manager shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by FAIRVIEW HOUSING MANAGEMENT CORPORATION

Standards for Financial Management Systems

In accordance with OMB Circular A-110, it is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Circular A-110 and/or the award.

2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. FAIRVIEW HOUSING MANAGEMENT CORPORATION shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
5. Written procedures to minimize the time elapsing between the transfer of funds to FAIRVIEW HOUSING MANAGEMENT CORPORATION from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

Budget and Program Revisions

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project director, etc.) specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-122.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

8. Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

Close Out of Federal Awards

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall follow the close out procedures described in OMB Circular A-110 and in the grant agreements as specified by the granting agency.

FAIRVIEW HOUSING MANAGEMENT CORPORATION and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

CHARGING OF COSTS TO FEDERAL AWARDS

Overview

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

Segregating Unallowable From Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with the allowability of costs provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations", particularly:
 - a. The list of specifically unallowable costs found in Attachment B (Selected Items of Cost), such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Attachment B, such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or OMB Circular A-122.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of FAIRVIEW HOUSING MANAGEMENT CORPORATION to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

Criteria for Allowability

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be "reasonable" for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the organization or the performance of the award;
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - c. Whether the individuals concerned acted with prudence in the circumstances;
 - d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be "allocable" to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a Federal award;
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Organization, but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of OMB Circular A-122 or the Federal award itself.
4. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Organization.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
8. The cost must be adequately documented.

Direct Costs

Direct costs include those costs that are incurred specifically for one award or non-Federal function. FAIRVIEW HOUSING MANAGEMENT CORPORATION identifies and charges these cost exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate project director and reviewed by the Treasurer.

Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award (i.e. such equipment shall not be capitalized and depreciated).

Indirect Costs

Indirect costs are those costs that either benefit more than one award (overhead costs) or non-federal function or that are necessary for the overall operation of FAIRVIEW HOUSING MANAGEMENT CORPORATION (management and general costs).

FAIRVIEW HOUSING MANAGEMENT CORPORATION maintains an annual indirect cost budget. Each year a new indirect cost budget is prepared and submitted to FAIRVIEW HOUSING MANAGEMENT CORPORATION's Cognizant Agency for approval. The indirect cost rate approved is used when determining the overhead applied to each federal award.

Examples of the types of expenditures normally included in the indirect cost pool are:

1. General administration
2. Salaries and benefits of the executive officers, finance, accounting and administrative personnel
3. Depreciation of equipment and buildings
4. Office rent and maintenance
5. General office repairs and maintenance

FAIRVIEW HOUSING MANAGEMENT CORPORATION's independent auditor has the responsibility of reviewing FAIRVIEW HOUSING MANAGEMENT CORPORATION's indirect cost rates. These rates are submitted to FAIRVIEW HOUSING MANAGEMENT CORPORATION's Oversight Agency and will be binding on all other federal agencies and their contracting officers unless specifically prohibited by statute.

Accounting for Specific Elements of Cost

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs:

Salaries and Wages - Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

Direct costs-The majority of the employees of FAIRVIEW HOUSING MANAGEMENT CORPORATION charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the organization.

Indirect costs - The following staff charge 100 percent of their salary costs indirectly:

- Secretary/receptionist
- Treasurer
- Office manager
- Accounting department staff (list specific staff if some accounting department staff are charged directly)

Mixed charges - The following employees may charge their salary costs to both direct and indirect activities:

- Administrator
- Administrative assistants

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The accounting system of FAIRVIEW HOUSING MANAGEMENT CORPORATION records salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits- FAIRVIEW HOUSING MANAGEMENT CORPORATION incurs costs for the following statutory and non-statutory employee benefits:

- FICA
- Unemployment insurance
- Worker's compensation
- Health insurance
- Contributions to pension plan

The total cost of all of the preceding employee benefits shall be determined by summing the cost associated with each benefit. This total employee benefit costs shall then be allocated directly and indirectly in the same proportions as salaries and wages.

Occupancy Expenses - Monthly rent expense and related pass-through expenses shall be allocated directly and indirectly, based on approximate square footage of space utilized, as follows:

Direct costs - The cost of space occupied by staff whose salaries are directly charged to federal awards is charged directly to those same awards

Indirect costs - The costs of space occupied by staff whose salaries are indirectly charged is also charged indirectly. The cost of space for staff whose salaries are charged on a mixed basis (directly and indirectly) shall be allocated on a mixed basis in the same ratio as their salaries are allocated.

The cost of space associated with common areas, such as hallways, restrooms, and conference rooms, shall be accounted for as an indirect cost.

Utilities- Utilities costs incurred by FAIRVIEW HOUSING MANAGEMENT CORPORATION include electricity and water. Such utilities costs shall be charged directly and indirectly in the same proportion as occupancy costs.

Supplies and Materials - To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials, based on the completion of a supplies usage form. All supplies and materials used by staff who are engaged in indirect activities shall be charged indirectly.

Postage and Shipping- To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs, based on the postage log kept near the postage machine and the UPS/FedEx shipping logs.

Photocopying and Printing - Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost or depreciation expense of the copier. Photocopying costs shall be charged directly and indirectly based on the user codes input into the copier prior to making photocopies.

All printing costs are charged directly to the benefiting grant or program/function.

Communications - Communications costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet dial-up connections.

Local telephone service costs are charged directly and indirectly based upon the number of telephone units assigned to FAIRVIEW HOUSING MANAGEMENT CORPORATION. Each telephone unit of FAIRVIEW HOUSING MANAGEMENT CORPORATION is identified to either a direct or an indirect activity, as determined annually based on an approximation of time charges of employees associated with each telephone unit. No telephone units shall be charged as mixed-use units due to the immateriality of the costs involved. For example, if FAIRVIEW HOUSING MANAGEMENT CORPORATION has 100 telephone units and 15 of those units are assigned to employees who work directly on a particular grant, 15 percent of each month's local telephone service costs shall be allocated to that grant.

Long-distance telephone calls are charged either directly or indirectly based upon whether a direct or indirect activity benefits from the transmission.

Outside Services- FAIRVIEW HOUSING MANAGEMENT CORPORATION incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged as follows:

Audit fees - Cost of the financial statement audit and preparation of Form 990 shall be charged as an indirect cost. Additional audit costs associated with that portion of the audit associated with OMB Circular A-133 shall be charged directly to the audited programs, based on estimates received from the independent CPA firm.

Legal fees - Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Staff Development Specialists - Costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services. Fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Insurance - To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs (such as the Organization's general liability coverage) shall be charged indirectly.

Credits - The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

Cost Sharing and Matching

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

FAIRVIEW HOUSING MANAGEMENT CORPORATION shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

1. They are verifiable from FAIRVIEW HOUSING MANAGEMENT CORPORATION records
2. They are not included as contributions for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

4. They are allowable under OMB Circular A-122.
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the Federal awarding agency.
7. They conform to all provisions of OMB Circular A-110.
8. In the case of donated space, the space is subject to an independent appraisal to establish its value.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which FAIRVIEW HOUSING MANAGEMENT CORPORATION competes.

It is the policy of FAIRVIEW HOUSING MANAGEMENT CORPORATION to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by FAIRVIEW HOUSING MANAGEMENT CORPORATION employees.



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A 501 (c) 3 Since 1991

August 9, 2018

Mary C. Wilson, Director
Office of Community Planning and Development
U.S. Department of Housing & Urban Development
710 Locust Street
Knoxville, TN 37902-2526

Dear Ms. Wilson:

SUBJECT: Continuum of Care - Match Letter

The letter will verify that Fairview Housing Management Corporation will provide an in-kind match in the amount of \$22,445.00 for the bonus round grant starting July 1, 2019.

Thank you for this opportunity. Please let me know if further documentation is needed.

Sincerely,

A handwritten signature in black ink that reads 'Robert J. Garrett'.

Robert J. Garrett