

	Northwestern Band of the Shoshone Nation Housing Services	
	<b>Policy &amp; Procedures Manual</b> <b>Program Income Use Policy</b>	
	<b>Revision Number &amp; Date</b> Version Number 1 – 9 April 2024	<b>Document Control Number</b> NWBSN HS-PM-PIU-001

## Program Income Use Policy

### 1. Policy Statement

The Northwestern Band of the Shoshone Nation Housing Services Board of Commissioners, along with the Tribal Council (“the Council” or “Tribe”) recognizes it is necessary to adopt and implement a policy providing direction regarding the application of Program Income generated from the use of Native American Housing Assistance and Self Determination Act (NAHASDA) funds. Retention and use of NAHASDA Program Income shall be in accordance with the provisions of the Indian Housing Block Grant Program (“IHBG”) regulations at 24 CFR Part P1000.64 and Public Indian Housing (PIH) Notice 2000-18.

### 2. Policy Purpose

The purpose of this policy is to provide guidance and information regarding the use of Program Income by NWBSN Housing Services for specified use on acceptable, reasonable, and eligible activities as described in this policy. The goal of this policy is to responsibly account for and budget funds identified as Program Income. This policy is also intended as a means for NWBSN Housing Services department to promote its use of Program Income for purposes of enhancing its current housing goals and to reduce the burden of housing costs to its participants.

### 3. Background

On April 18, 2000, the U.S. Department of Housing and Urban Development issued Notice PIH 2019-07 that provided guidance on accounting for Program Income generated by the use and disbursement of IHBG funds. This notice clarified the regulatory language of 24 CFR 1000.62 which answered the question “What is considered Program Income and what are the restrictions on its use?” This policy mirrors much of the language contained in that Notice.

On November 12, 2020, the following regulatory changes to 2 CFR Part 200 became effective, some of which directly affect the retention and use of Program Income in the IHBG program.

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- 2 CFR § 200.305 was revised and applies to IHBG, except that HUD shall not require a recipient to expend retained program income before drawing down or expending IHBG funds, per the modification at 24 CFR §1000.26.
- 2 CFR § 200.313 was revised and applies to the IHBG program. Except in all cases in which the equipment is sold, the proceeds shall be program income, per the modification included at 24 CFR §1000.26.
- 2 CFR § 200.314 was revised and applies to the IHBG program, except in all cases in which the supplies are sold, the proceeds shall be program income, per the modification included at 24 CFR §1000.26.

#### 4. Applicability

This policy is intended as a means for NWBSN Housing Services to carry out housing or housing related activities that will enhance the programs and services of the NWBSN Housing Services program and meet various needs of the entity. This Program Income Policy shall be utilized by NWBSN Housing Services as planned through its periodic budgetary process. However, there may be reasonable uses of Program Income that may require an amendment of the budget which will require a recommendation by the NWBSN Housing Services Board of Commissioners and further confirmation by Tribal Council approval.

#### 5. Program Income

##### A. Definition

Program Income as provided in 24 CFR § 1000.62, is defined as any income that is realized from the disbursement of grant funds. Program income does not include any amounts generated from the Operation of 1937 Act units unless the units are assisted with grant amounts and the income is attributable to such assistance. Program income includes income from fees for services performed from the use of real or rental of real or personal property acquired with grant funds, from the sale of commodities or items developed, acquired, etc. with grant funds, and from payments of principal and interest earned on grant funds prior to disbursement. If the amount of income received in a single year by a recipient and all its subrecipients, which would otherwise be considered program income, does not

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exceed \$25,000, such funds may be retained but will not be considered or treated as program income. If program income is realized from an eligible activity funded with both grant funds as well as other funds (i.e., funds that are not grant funds), then the amount of program income realized will be based on a percentage calculation that represents the proportional share of funds provided for the activity generating the program income. Costs incident to the generation of program income shall be deducted from gross income to determine program income. Program income may be used for any housing or housing-related activity and is not subject to other Federal requirements (24 CFR § 1000.64).

#### B. Compliance

- Federal Requirements - So long as Program Income is spent on housing related activities, the use of Program Income is not subject to other Federal requirements.
- Administrative Requirements – Northwestern Band of the Shoshone Nation and Northwestern Band of the Shoshone Nation Housing Services shall comply with all other administrative requirements related to the IHBG program, including recording, reporting, financial management, and other requirements in accordance with Program Guidance 2019-07. The Tribe shall implement a process to track Program Income in NWBSN financial records as a restricted asset and reported on both the SF 425 and the APR.

#### C. Program Income Inclusions

Gross program income minus incidental costs/expenses equals net program. Program income minus any incidental costs includes, but is not limited to, the following:

- Rents and administration fees from the operation of 1937 Act units if any IHBG funds have been used in the operation and/or maintenance of these units minus operating expense(s).
- Income, minus expenses, from the use or rental of real property that was acquired, constructed, or rehabilitated with IHBG funds and that is owned by the Tribe or any subrecipient of the Tribe.

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- Income from the sale of commodities or items developed or acquired with IHBG funds minus incidental costs.
- Net proceeds from the sale or lease of real property acquired, constructed, or rehabilitated (and owned by the Tribe) with IHBG funds.
- Net sale proceeds from the disposition of any housing units (excluding homeownership units), developed under the 1937 Housing Act owned by the Tribe or entity funded by the Tribe.
- Proceeds, minus incidental costs, from the disposition of equipment and supplies purchased with IHBG funds.
- Receipts of principal and interest payments on loans made using IHBG funds.
- Proceeds from the sale of loans, or obligations secured by loans, made with IHBG funds.
- Interest earned on the investment of IHBG funds or on the investment of Program Income.

#### D. Program Income Exclusions

Program Income does not include, but are not limited to, the following:

- Rents and administration fees from the operation of 1937 Act units if no IHBG funds have been used in the operation and/or maintenance of these units.
- Proceeds from the sale of homeownership (Mutual Help) units developed under the 1937 Act.
- Interest earned on planning and administration reserves.
- Interest on approved IHBG investment.

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- Fees charged borrowers to issue or service loans.
- LIHTC developer fees earned by the recipient when acting as the developer.
- Income in year less than \$25,000.
- Rents and administration fees from the operation of 1937 Act units if any IHBG funds have been used in the operation and/or maintenance of these units minus operating expense(s).

## 6. Use of Program Income Funds

### A. Housing-Related Activities

The Tribe will use funds for housing-related activities which means any facility, community, building, infrastructure, business, program, or activity, including any community development or economic development activity, that:

- Is determined by the recipient to be beneficial to the provision of housing in the Tribe's Indian area; and
- Meets at least one of the following conditions:
  - Reduces the cost of construction of Indian Housing.
  - Makes housing more affordable, energy efficient, accessible, or practicable in an Indian area.
  - Would otherwise advance the purposes of NAHASDA.

### B. Examples of Housing-Related Activities

The following are some examples of housing-related activities that may be carried out using IHBG program income:

- Assisting families to obtain housing.

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- Development or support of a Tribally owned housing manufacturing business if this business would reduce the cost of constructing Indian housing and/or make housing more affordable, energy efficient, accessible, or practicable in the Indian area to be served. Conversely, a Tribally owned business that does not have any direct tie to the provision of housing such as a restaurant, convenience store, or gaming establishment may not be funded with program income.
- Construction of a community center that will house various services and/or resources aimed at advancing the economic conditions of affordable housing residents, such as career counseling, training, and/or job placement. This activity would otherwise advance the purposes of NAHASDA related to self-sufficiency.
- Retrofitting of a community center – accessible architectural features such as ramps, walkways, entrances, parking, signage, grab bars, bathroom and kitchen fixtures, and environmental controls; retrofitting existing residences to replace inaccessible features with accessible features; and reasonable modifications suited to the functional needs of individuals with disabilities.
- New construction, rehabilitation, acquisition, or subsidized rental or purchase of housing intended to decrease the isolation and increase the integration of individuals with disabilities.
- Off-site infrastructure related to housing development.
- Providing housing services to resident families, including crime prevention and safety for residents.

C. Other Housing Activities

The Tribe will use Program Income to assist NWBSN Tribal members for housing activities consistent with NAHASDA Section 202 Eligible Program Activities or other activities as determined by the Tribe.

Providing a mixed-income housing development.

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Economic development activities that would provide jobs and/or needed services for persons living on a Reservation, Tribal Trust Lands or designated Tribal Communities or other areas approved for out-of-area Tribal members.

Community buildings and other structures that would benefit families living on the Reservation.

Law enforcement and other crime prevention activities that would improve the safety of families residing on a Reservation, Tribal Trust Lands or designated Tribal Communities or other areas approved for out-of-area Tribal members.

Other activities as presented by the Housing Director, the recommendation of the Housing Services Board of Commissioners, and approved by the Northwestern Band of the Shoshone Nation Tribal Council.

## 7. Other Guiding Principles

- A. Requirements stipulated for the expenditure of Program Income may or may not be the same as the requirements stipulated for IHBG or NAHASDA funding at the discretion of the Northwestern Band of the Shoshone Tribal Council.
- B. The Northwestern Band of the Shoshone Nation Tribal Council will be informed of any use of Program Income upon acceptance of annual budget.
- C. The Housing Director shall submit to the NWBSN Tribal Council a budget for approval at the annual budget planning meeting and/or Tribal Council prior to submission of budget / Indian Housing Plan.

## 8. Ineligible Uses of Program Income

Program income shall not be used for any of the following purposes:

- A. Gaming enterprises of any kind.

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- B. Non-housing related activities, except for those that support the Housing Services program in its dissemination of programs and services benefiting its housing clientele.
- D. IHBG funds must not be used for ineligible purposes with the intention of reimbursing those costs later using program or non-program income.
- E. Additionally, program income may not be used to pay for the costs of prosecuting claims against the Federal Government, including appeals of final Federal agency decisions. Such costs are not housing-related activities.

## 9. Reporting Program Income

It is the responsibility of Northwestern Band of the Shoshone Nation to ensure proper recording of the receipt and use of Program Income (see Section 102(b)(2)(C) of NAHASDA and 2 CFR § 200.302(b)(2) and 2 CFR § 200.328).

- To satisfy these requirements, the receipt and expenditure of Program Income must be identified in both the Indian Housing Plan (IHP) / Annual Performance Report (APR) and Federal Financial Report (FFR) Standard Form 425 (SF-425), regardless of whether program income will be or has been used for housing-related activities.
- Instructions related to how program income should be reported are contained in the following PIH Notice and ONAP program guidance documents: “Federal Financial Report – Standard Form 425” (PIH Notice 2022-15) and “Guidance for Completing the Indian Housing Plan / Annual Performance Report (form HUD-52737)” (Program Guidance No. 2018-02a).
- To ensure proper recording of program income, a recipient may use either a separate program income “fund” or use separate expense accounts for tracking purposes. In addition, accumulated program income should be reported as a “restricted asset” on the financial statements.

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## REVISION HISTORY

The **Program Income Use Policy** was **ADOPTED** by the Northwestern Band of the Shoshone Nation Housing Authority Board of Commissioners on **9 April 2024**. Motion was made by **Dennis Alex** and seconded by **Tara Hawks**.

- Motion carried by 5 YES and 0 NO, and 0 ABSTENTION & 0 ABSENT.

 _____ Director – Housing Services	4-9-24 _____ Date	 _____ Housing Board Member	4/9/24 _____ Date
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The **Program Income Use Policy** was further formalized by Resolution **04-19-2024-03** of the Northwestern Band of the Shoshone Nation Tribal Council on **19 April 2024**. Motion was made by **Shane Warner** and seconded by **Bradley Parry**.

- Motion carried by 7 YES and 0 NO, and 0 ABSTENTION AND 0 ABSENT.



Dennis A. Alex  
Chairman

Bradley J. Parry  
Vice Chairman

NORTHWESTERN BAND OF THE SHOSHONE NATION  
2575 Commerce Way  
Ogden, Utah 84401

**RESOLUTION OF  
THE NORTHWESTERN BAND OF THE SHOSHONE NATION  
HOUSING SERVICES Resolution Number 04-19-2024-03**

**Approving a Program Income Use Policy was ADOPTED for the NWBSN Housing Services.**

At a duly called meeting of the Tribal Council of the Northwestern Band of the Shoshone Nation on **19 April 2024**, the following resolution was presented:

**WHEREAS:** The Tribal Council is the governing body of the NWBSNHS with the authority to adopt laws and rules to govern Housing Services; and

**WHEREAS:** The NWBSN Housing Services is a Tribal Program authorized to manage homeownership and rental housing programs and such management requires the adherence to Policies and Procedures set forth by The Department of Housing and Urban Development; and

**WHEREAS:** The Housing Services Board of Commissioners has received and reviewed an updated Program Income Use Policy at a duly called meeting on 9 April 2024 as prepared by the Housing Services Director and has been approved by vote of a quorum of the Housing Services Board of Commissioners.

**Vote of 5 in favor, 0 opposed, 0 abstentions and 0 absent on 9 April 2024.**

**NOW THEREFORE, BE IT RESOLVED** that the NWBSN Tribal Council hereby approves the Program Income Use Policy as reviewed and corrected. (See Attached)



Dennis A. Alex  
Chairman

Bradley J. Parry  
Vice Chairman

NORTHWESTERN BAND OF THE SHOSHONE NATION  
2575 Commerce Way  
Ogden, Utah 84401

Authority for this resolution was duly adopted by the Tribal Council of the Northwestern Band of the Shoshone Nation at a duly called meeting on **19 April 2024**, by a vote of 7 in favor (DA, BP, AM, KH, JW, SW, CW), 0 Opposed, 0 Absent, 0 Abstain; pursuant to the authority contained under Article VI, Section 1 & 2 and Article XI, Section 2 of the Tribal Constitution and By-laws approved August 24, 1987; Tribal Housing Ordinance, ORD-95-001, Amended 09 April 1996.

DATED: 19 April 2024



DENNIS A. ALEX, CHAIRMAN  
CERTIFICATION:

I HEREBY CERTIFY that the foregoing resolution was passed while a quorum of the Tribal Council was present by a vote of 7 in favor, 0 opposed, 0 abstentions on the date this bears.



Alicia Martinez, Secretary

