

Neighborhood Investment Program



NON-PROFITS & Charitable GIVING IN WEST VIRGINIA – The Neighborhood Investment Program

WEST VIRGINIA NON-PROFITS

People: There are more than 10,000 non-profit organizations in West Virginia. Many of these organizations provide assistance to disadvantaged citizens in service of the following areas:

- Healthcare
- Counseling
- Emergency Assistance
- Childcare & Education
- Crime Prevention
- Housing
- Job Training
- Community Enrichment & Quality of Life
- And many others

Jobs: West Virginia's non-profit sector employs **68,900** people, representing 10% of the state's workforce.

Local Resources: NIP is used to keep funding and resources in the local community.

WHAT IS NIP?

THE NEIGHBORHOOD INVESTMENT PROGRAM (NIP) allows non-profits to attract donors by offering businesses and individuals a state tax credit.

Businesses and individuals who contribute to organizations are eligible to receive up to 50% of the contributed amount in the form of WV state tax credits.

Donors may use the credits to reduce liability for the following West Virginia taxes:

- Corporate Net Income Tax
- Personal Income Tax

NIP History

NIP was established by the WV Legislature in 1996 to increase charitable giving to local non-profits, increasing the capacity to serve low-income West Virginians.

The WV Legislature sets aside up to \$3 million annually in state tax credits for the NIP.

In 2015:
\$3 million in NIP credits leveraged
\$6,488,731 in donations.
623,450 low-income West Virginians accessed NIP projects

The State allocated
\$2,918,522 in credit to help over
623,000 individuals in FY 2013-2014.

This represents
\$4.68 per person benefited.

HOW IS NIP USED?

- Organizations use the credit as **a tool** for attracting **donations** from contributors.
- The **only** state tax incentive available for charitable giving in **West Virginia**.
- Provides **partnerships** and a **cost sharing** of public and private funds to provide needed services.
- Is **statewide**, impacting approximately 200 nonprofits serving citizens, programs, and communities in **all 55 counties**.
- Is **self-sufficient** and **self-funded** through the program fee applied to each donation making it highly efficient.
- Charitable giving that might leave the state stays to support our **local communities** where the need is greatest.

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NIP – A History of Helping

Over the past 19 years of the Neighborhood Investment Program:

2,700 non-profit projects serving WV's low income population were awarded tax credits.

\$75.7 million in donations were generated for certified projects.

\$35.2 million in tax credits were given to donors.

NIP helps feed, educate, house and assist thousands of low income individuals each year.

Generating More Than Just Cash

NIP is a tool used by non-profits to generate resources for their organization. The types of donations accepted for the NIP program include:

- Cash
- Personal Property
- In-Kind Professional Services
- Real Estate/Property
- Stocks

For more information about the Neighborhood Investment Program:

West Virginia Development Office
304-558-2234
1900 Kanawha Blvd., E.
Building 6, Room 553
Charleston, WV 25305

How Credits are Distributed

1. Non-profit organizations apply annually to the West Virginia Development Office (WVDO).
2. WVDO scores and ranks applications, based on an approved formula, and makes recommendations to the NIP Advisory Board.
3. NIP Advisory Board approves/denies applications.
4. Executive Director of the WVDO certifies approved projects.
5. The non-profit organization receives their tax credit allotment to distribute to their donors.

NIP Advisory Board: The 12 Member Board is chaired by the WV Development Office Executive Director. There are then four members from each category:

- Low Income Individuals
- Officers or Board Members from private businesses
- Directors, Officers or Board Members from non-profit organizations

Not more than 7 members can have the same political affiliation and not more than 4 members come from any 1 Congressional District.

Criteria for NIP Funding:

- Community based.
- Serve primarily low-income persons (incomes within 125% of the federal poverty line) and serve highly distressed neighborhoods (economically distressed, crime and unemployment problems, high numbers of uneducated citizens, etc.).
- Be collaborative with other local organizations to maximize project benefits.
- Be innovative or unique.
- Maintain low administrative costs.
- Be clearly needed in the project area.
- Applying organizations should demonstrate the capacity to deliver the proposed services.