

FY2022 Covenant/Quality Assurance Checklist

Welcome to the annual electronic submission process for the U.S. Affiliated Organization Covenant and the Quality Assurance Checklist.

In response to affiliate feedback, the answers to a few questions in the Quality Assurance Checklist have been prepopulated for you based on information we already have in our records. For example, if our records show that you have served at least one family per year through new housing construction, a rehabilitated home, repaired home or weatherized home, you will see that you don't have to complete that question, and the tool will indicate that our records show you have met that standard. If our records show you have not served a family through one of these types of construction, the tool will indicate that you do not comply with the standard and will offer you only the "no" answer options to choose from. Similar prepopulated questions include those around tithing, minimum insurance requirements, qualified loan originator, competent person as well as the ability to bypass any Habitat ReStore questions if our records indicate you do not operate a store.

The U.S. Affiliated Organization Covenant (Covenant) is the foundational document between Habitat for Humanity International and U.S. affiliates. The Covenant continues to be our guiding spiritual and philosophical document. The yearly signing of the online Covenant ensures that, while affiliate leadership may change over time, the mission, mission principles and core tenets of Habitat for Humanity remain intact.

The Quality Assurance Checklist (QA Checklist) contains standards and practices that are expected of each affiliate. As required by the U.S. Affiliation Agreement, affiliates must exercise their best efforts to comply with each of the standards. Failure to meet these standards can potentially affect good standing and result in other disciplinary action.

The QA Checklist is divided into two sections.

Section 1: Core Requirements demonstrate sound, professional business practices and are also essential to one or more of the following: (a) protection and stewardship of the Habitat for Humanity brand and national reputation, (b) preservation of Habitat for Humanity's reputation and credibility with national, state and local government funders, (c) demonstration of practices that are considered critical by insurers and (d) demonstration of compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates. While all of the QA Checklist requirements are critical, non-compliance with a Core Requirement poses a potentially greater risk on the Habitat for Humanity network as a whole.

Section 2: Other Essential Practices demonstrate sound, professional business practices and also demonstrate compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates.

Please go through each question and provide the most accurate response for your affiliate. Note that you can choose to Save and Continue (blue button at the bottom center of each page) to move onto the next page of questions, or you can choose Save and Return Later (gray bar across the top of your screen) to come back to the QA Checklist later. An email will be sent to you with a unique link to return to your QA Checklist where you left off.

The deadline to electronically submit the **FY2022 Covenant and Quality Assurance Checklist is Sept. 30, 2021**. Your adherence to the deadline is appreciated.

Affiliate Info

Affiliate Name

Lexington HFH

Affiliate ID

(xxxx-xxxx)

0166-8243

State

Kentucky

GSA

Large

Submitter Name

Rachel Childress

Submitter Title

Executive Director

Submitter Title**Submitter Email**

rachelc@lexhabitat.org

Submitter Phone Number**(Enter 10 digit # with no other characters)**

8592522224

1) Affiliate is an organization based on Christian principles and as such:

	Yes	No - Policy/procedure in this area is in progress or pending board resolution	No - We understand we are not adhering to the standard and there are no plans to change
A) Adopts the official vision and mission statement of Habitat for Humanity.	X		
B) Affiliate board of directors reads and signs the Covenant annually.	X		
D) Adopts and follows the Habitat for Humanity non-proselytizing policy .	X		

1C) Affiliate is an organization based on Christian principles and as such supports the work of HFHI through an annual [tithe](#).**Our records indicate you have submitted a tithe contribution. Please move to the next question.**

2A) Affiliate serves [at least one family per year](#) through one of the following housing interventions: new housing construction, rehabilitated home, repaired home, weatherized home.

Our records indicate you have served at least one family in the past year and therefore meet this standard. Please move to the next question.

2B) Affiliate serves [a minimum of one family over a three-year period](#) through a rehabilitated or new home construction.

Our records indicate you have served at least one family through a rehabilitated or new home construction in the past three years and therefore meet this standard. Please move to the next question.

3) Affiliate makes all reasonable efforts to serve families who demonstrate a housing [need](#). Need is evaluated by considering affiliate's service area median income, cost of living index, etc. Household incomes should not exceed 60% AMI and in no case exceed 80% AMI.

Yes

4) Affiliate activities are governed by written, duly-adopted policies that comply with all local, state and federal laws (Fair Housing Act, Equal Credit Opportunity Act, and other Fair Lending laws, Fair Credit Reporting Act, Privacy, Flood, Bank Secrecy Act - Anti-Money Laundering, Office of Foreign Assets Control, Real Estate Settlement Procedures and Truth in Lending, OSHA etc.) including but not limited to:

	Yes	No - Policy/procedure in this area is in progress or pending board resolution	No - We understand we are not adhering to the standard and there are no plans to change	N/A – Not applicable
A) Anti-discrimination .	X			
B) Child labor prohibitions .	X			
C) Conflict of interest .	X			
D) Construction safety .	X			
E) Employment, including grievance .	X			
F) Fiscal safeguards .	X			
G) Mortgage origination , including homeowner selection and house pricing and transfer (written policies are required of all affiliates, including affiliates that use third-party originators).	X			
H) Mortgage servicing , including escrow fund management (written policies are required of all affiliates, including affiliates that use third-party servicers).	X			
I) Records retention .	X			
J) Sex offender registration check .	X			
K) Whistleblower .	X			

5) Affiliate complies with Internal Revenue Service Section 501 (c)(3) and with all state and local tax laws.

Additionally:

Affiliate annually files the appropriate [IRS tax filings](#) in a timely manner (e.g., Form 990-N, Form 990EZ, Form 990, or Form 990-T) in full accordance with IRS regulations and requirements.

After filing with the IRS, the affiliate also provides a copy of their completed tax filings to the [Affiliate Document Center](#).

Affiliate donors receive a timely written receipt documenting their contributions, as required by IRS guidelines.

NOTE: If you have not uploaded documents previously to the Affiliate Document Center, please contact the Affiliate Support Center at USSupportCenter@habitat.org for access.

Yes

6) Affiliate has the required [minimum insurance coverage](#) for all aspects of its operations including General Liability, Builder's Risk, Volunteer Accidental Medical, Directors and Officers Liability, and, if applicable, workers' compensation and auto coverage.

Our records indicate you meet the minimum insurance requirements. Please move to the next question.

7) Affiliate [loan originator](#) activities are conducted by at least one loan originator qualified by:

Making a determination of demonstrated financial responsibility, character, and general fitness based on:

a criminal background check.

a credit check.

information about any other proceedings.

Ensuring each such staff member or volunteer has completed all required training on federal and state laws that apply to the activities.

All loan originator activities, as defined by federal law, are performed only by a qualified loan originator (QLOs are required of all affiliates, including affiliates that use third-party originators and/or servicers.)

Our records indicate you have a Qualified Loan Originator. Please move to the next question.

8) Affiliate uses the [HUD Equal Housing](#) logo or equal housing opportunity statement on all applicant-facing materials and web pages, and posted anywhere applications are submitted and/or provided to applicants.

Yes

9) Affiliate has at minimum one person who has been trained by HFHI as a [Competent Person](#).

Our records indicate you have a trained Competent Person. Please move to the next question.

10) Affiliate has [liability waivers](#) signed annually by all volunteers and retains those waivers for at least one year beyond expiration of the statute of limitations.

Yes

11) [Deselection](#) of approved applicants only occurs in the following cases:

A) Failure to complete requirements set forth in the letter of acceptance or Homeownership Agreement.

B) Negative change in financial condition which would significantly impact the ability to pay.

C) Fraud on the application.

D) Violation of a sexual offender policy.

Yes

12) Affiliates with revenues of more than \$250,000 per year or assets greater than \$500,000 [have had financial statements audited](#) by an external auditor within the past 12 months. Affiliate is exempt from audit only if both of the following are true:

Response:

Yes

13) Affiliate has officially adopted the registered [Habitat for Humanity logo](#) and, if applicable, Habitat ReStore identifier. (Affiliates with registered HFH logo but no Habitat ReStore should still select 'yes.')

Yes

14) Affiliate has and abides by [Habitat ReStore and/or retail operation safety standards](#), including, but not limited to:

- A) Safety Manual.
- B) Emergency Action Plan (EAP)/retail location.
- C) Fire Protection Plan (FPP)/retail location.
- D) Hazardous Communications Plan/retail location.

Yes

15) Affiliate board and staff members and volunteers in leadership positions abide by the standards and requirements of [Policy 34: Safeguarding](#), and affiliate is taking steps to implement the policy. The affiliate is creating and maintaining a work environment that is safe, productive and respectful for colleagues and one that prevents and responds to physical or sexual abuse or exploitation, harassment, or bullying of the people in the communities we serve (especially vulnerable adults and children) and the people with whom we work or partner.

Yes

16) [Affiliate has:](#)

	Yes	No - Policy/procedure in this area is in progress or pending board resolution	No - We understand we are not adhering to the standard and there are no plans to change
A) A dedicated publicly accessible office.	X		
B) A dedicated mailing address. (See "Q16 Details" below)	X		
C) A telephone number dedicated exclusively to affiliate with voice mail capacity which shall remain the property of affiliate in the event of the individual account holder's departure. (See "Q16 Details" below)	X		
D) An email address exclusive to affiliate which shall remain the property of affiliate in the event of the individual account holder's departure. (See "Q16 Details" below)	X		
E) Ownership of at least one computer with internet access and software for word processing and spreadsheets.	X		
F) A website (or other social media platform) displaying the Habitat for Humanity vision and mission statements and a reference to Habitat for Humanity's non-proselytizing policy. (See "Q16 Details" below)	X		
G) Corporate by-laws limiting the terms for its board of directors which are enforced by affiliate.	X		

NOTE: If any of the below information is incorrect or missing, please email the Affiliate Support Center at USSupportCenter@habitat.org to update the information.

Q16 Details:

Mailing Address:

700 E Loudon Ave Lexington Kentucky 40505

Phone Number:

+1 (859) 252-2224

Email Address:

info@lexhabitat.org

Website URL

www.lexhabitat.org

17) Affiliate abides by requirements for operating a [Habitat ReStore](#) or any other retail/resale operation, including but not limited to: Affiliates must employ no fewer than two paid staff members dedicated exclusively to each Habitat ReStore location. These staff members must be within the facility during business hours and available to manage daily operations while maintaining legally required breaks.

Yes

18) Affiliate [tracks volunteer hours](#).

Yes

19) Affiliate board annually approves a [written budget](#), which includes projected sources and amounts of income and anticipated expenses. Affiliate and its board review the actual income and expense statements at least quarterly and compare them to the budget.

Yes

20) Affiliate has and abides by a board-approved [Anti-Money Laundering \(AML\) program](#), ensuring that the following provisions are met:

	Yes	No - Policy/procedure in this area is in progress or pending board resolution	No - We understand we are not adhering to the standard and there are no plans to change
A) Policies and procedures, which include internal controls, are developed and applied consistently.	X		
B) An AML compliance officer is appointed and aware of their responsibilities.	X		
C) Ongoing training is conducted with all applicable staff and volunteers.		X	
D) An independent audit tests the compliance and effectiveness of the AML program.		X	
E) Suspicious Activity Reporting is done properly.	X		

21) Affiliate and its board review the performance of affiliate’s mortgage loan portfolio using the delinquency definitions in the [Affiliate Statistical Report](#), comparing the number of delinquencies and amount of arrearages with prior periods, at least quarterly.

Yes

22) Affiliate has designed, implemented, and currently maintains safeguards to [keep consumer information confidential](#) and protect it from threats and hazards such as unauthorized access or use of such records.

Yes

23) If the Fair Market Value (FMV) must be established by an independent, third-party appraisal for each housing unit) of the affiliate’s housing units are more than the sum of (i) the first mortgage, plus (ii) any cash down payment paid by the homebuyer, plus (iii) any third-party subordinate mortgages, then the affiliate must utilize [deferred subordinate mortgages](#) (commonly called a “soft” mortgage) to protect equity.

Yes

24) Affiliate sells the housing units it builds and/or rehabs by providing buyers with affiliate-originated mortgage financing at zero percent interest or via a third-party-originated affordable mortgage that is recognized as an authorized financing option or [other HFHI-approved financing model](#).

Yes

25) Affiliate provides homeowner [pre- and post-support services](#) to all selected families through appointed volunteers, staff, HUD Certified Counselor, or other professionals.

Yes

26) Affiliate complies with all [applicable state and local building codes](#). Where there are no state/local codes, affiliate builds in compliance with the 2006 version of the International Residential Code (the IRC).

Yes

27) Affiliate builds houses generally in accordance with the [Habitat House Design Criteria](#).

Yes

28) Affiliate is [not overly dependent on any single source of revenue](#), including Habitat ReStore, government funding, or single private donors. (As a guideline, affiliate generally has no single source of revenue on a continuing basis that exceeds 40 percent of the annual affiliate operating budget.)

Yes

29) Affiliate adheres to [U.S. Collaborative Development Handbook](#).

Yes

30) Affiliate uses all contributions for the purpose expressed by the donor.

Yes

31) Affiliate fundraising personnel, including employees, volunteers and independent consultants, [are not compensated on a percentage of the amount raised or any other commission formula](#).

Yes

U.S. Affiliated Organization Covenant

Preface

Habitat for Humanity U.S. affiliated organizations work to create decent, affordable housing in partnership with those in need and to make shelter a matter of conscience with people everywhere. This Covenant outlines the relationship between Habitat for Humanity International and its affiliated organizations in the United States.

Mission Vision

A world where everyone has a decent place to live.

Mission Statement

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

Mission Principles

(1) Demonstrate the love of Jesus Christ. We undertake our work to demonstrate the love and teachings of Jesus, acting in all ways in accord with the belief that God's love and grace abound for all, and that we must be "hands and feet" of that love and grace in our world. We believe that, through faith, the minuscule can be multiplied to accomplish the magnificent, and that, in faith, respectful relationships can grow among all people.

(2) Focus on shelter. We have chosen, as our means of manifesting God's love, to create opportunities for all

people to live in decent, durable shelter. We put faith into action by helping to build, renovate or preserve homes, and by partnering with others to accelerate and broaden access to affordable housing as a foundation for breaking the cycle of poverty.

(3) Advocate for affordable housing. In response to the prophet Micah's call to do justice, to love mercy and to walk humbly with God, we promote decent, affordable housing for all, and we support the global community's commitment to housing as a basic human right. We will advocate for just and fair housing policy to eliminate the constraints that contribute to poverty housing. And, in all of our work, we will seek to put shelter on hearts and minds in such powerful ways that poverty housing becomes socially, politically and religiously unacceptable.

(4) Promote dignity and hope. We believe that no one lives in dignity until everyone can live in dignity. We believe that every person has something to contribute and something to gain from creating communities in which all people have decent, affordable places to live. We believe that dignity and hope are best achieved through equitable, accountable partnerships.

(5) Support sustainable and transformational development. We view our work as successful when it transforms lives and promotes positive and lasting social, economic and spiritual change within a community; when it is based on mutual trust and fully shared accomplishment; and when it demonstrates responsible stewardship of all resources entrusted to us.

In addition, in recognition of and commitment to the global nature of the Habitat for Humanity mission, each U.S. affiliate is expected to contribute (tithes) at least 10 percent of its undesignated cash contributions to Habitat for Humanity's international work.

Agreement to Covenant

In recognition of the Mission Principles stated in this Covenant, Habitat for Humanity International and Lexington HFH covenant as follows.

Habitat for Humanity International Covenants:

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity;
- To coordinate global fund-raising efforts;
- To create a global movement around the need for decent and affordable housing;
- To administer tithe funds contributed by affiliates in support of the efforts of Habitat for Humanity national organizations and affiliates.

Lexington HFH Covenants:

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity;
- To comply with the minimum operational standards contained in an annual certification process;
- To conduct its operations within its defined service area;
- To tithe for Habitat for Humanity's housing work outside the United States;
- To reject any support that is conditioned on deviating from the Mission Principles outlined earlier or other approved policies and practices;
- To conduct its operations in a manner that protects and promotes the good name of Habitat for Humanity and contributes to the growth of the Habitat for Humanity movement and is in the best interests of other affiliates and of Habitat for Humanity International including, but not limited to, actions that are specified in this covenant and in Habitat for Humanity policies.

This Covenant is valid upon approval by the affiliate board of directors and a designated representative of Habitat for Humanity International.

Covenant Signatures

Habitat for Humanity International:

By: Sue Henderson, Vice President, U.S. Operations
09/28/2021

By: Lexington HFH:

09/28/2021

Covenant Approval by Board of Directors

I certify that the Covenant between Habitat for Humanity International and Lexington HFH was approved by the board of directors at a meeting held on:

09/28/2021

Quality Assurance Checklist Approval by Board of Directors

I certify that the Quality Assurance Checklist for Lexington HFH was approved by the board of directors at a meeting held on:

09/28/2021

Secretary of Board of Directors (name only):

Brandi Peacher

If any of the below information is incorrect or missing, please take this opportunity to update these fields.

Board Secretary Information

Name

Brandi Peacher

Phone:

8592292989

Email:

bberryman15@gmail.com

Board President Information

Name

Parashar Joshi

Phone:

+1 (614) 284-9039

Email:

pjoshi@valvoline.com

Board Vice President Information

Name

Chris Crumine

Phone:

(859)338-8950

Email:

cjcrumrine@gmail.com

Board Treasurer Information

Name

McKay Moore

Phone:

(859) 806-5586

Email:

mckay@lrcrealestate.com

Affiliate Contact Information

Name:

Rachel Smith Childress

Title:

Contact Person;ED/CEO;Veterans Build Affiliate Contact

Phone:

(859) 608-4052

Email:

rachelc@lexhabitat.org

Affiliate Website URL:

www.lexhabitat.org

Board Approval and Certification

	Yes
The affiliate board of directors has reviewed the answers provided on this U.S. Affiliated Organization Covenant and Quality Assurance Checklist, certified them as correct, and approved this submission as an accurate declaration of the affiliate. We understand that failure to submit a timely and accurate Covenant and QA Checklist may result in loss of good standing or other disciplinary action.	X

Optional QA Checklist Feedback

Do you have any general feedback about the Covenant and QA Checklist you would like to share with our team? Responses might include feedback about specific questions, items you found confusing, ideas for improvements, or the ease or difficulty of using this survey to submit your Covenant and QA Checklist. We review all responses as we look to make adjustments in the future. Thank you!