

Self-Helper

Summer 2009
Volume 102
Inside:

Title	Page
Using Financial Statements as a Management Tool	2
Safety for All Seasons	3
Welcome Grantees	3
SHARES Tip	3
FY 2010 Proposed Budget	4
502 Pooling Date	4
Trevino Named RD Administrator	5
Guidelines for Protecting Sensitive Information	5
Best Practice Tips from Your Peers	5

National Homeownership Month Activities



USDA Rural Development Under Secretary Dallas Tonsager helps Linda Diaz build her home at MHDC's Manchester Manor in Laurel, Delaware.

Agriculture Secretary Tom Vilsack kicked off National Homeownership Month on June 1, 2009 at a rural housing roundtable in Peoria Heights, Illinois, to discuss USDA's rural homeownership programs. "Homeownership remains the foundation by which families and communities lay claim to the American dream," Vilsack said. "USDA's efforts will not only provide opportunity and security to homeowners, the injection of funding into communities will help stimulate local economies and create jobs."

According to the USDA, their housing programs are helping more people than ever with homeownership loans to more than 72,000 rural Americans last year - a record number. With the additional funding from the American Recovery and Reinvestment Act (ARRA), USDA is on track to help more than 130,000 this year. Since the bill's passage in mid-February, USDA has distributed \$4.3 billion to 32,000 families.

"We are committed to bringing the necessary financial and technical resources to rural America



First in Housing Services, Because We Care

Homeownership Month *(Continued from Page 1)*

to afford rural families the opportunity to purchase and preserve a place they can call home,” Vilsack said.

Self-Help Housing grantees across NCALL’s region also got in on the act. One exciting event was held by Milford Housing Development Corporation in Delaware. **USDA Rural Development Under Secretary Dallas Tonsager** attended and participated in the “build day” event at **Manchester Manor**, a Self-Help housing site in Laurel, Delaware.



Patricia Motter, President of Interfaith Housing Alliance, looks on while George Klaus, Rural Development Area Director, puts the final signature on their new grant agreement at their grant signing celebration and Open House held in Shippensburg, PA.



Fayette County Community Action Committee hosts a Self-Help Build Day in Washington Court House, Ohio.



Volunteers and participants join together at Southern Maryland Tri-County Community Action Commission’s Self-Help Build Day.

Using Financial Statements as a Management Tool

The Board and management are legally responsible for ensuring the organization is financially healthy, with appropriate financial management practices in place. What can the Board and management do to operate responsibly?

- Regularly review current financial statements
- Ask questions
- Develop and implement a financial policy
- Hold staff accountable
- Conduct a financial audit annually
- Use budgets and financial projects as planning tool

This last point is very important. The financial reports can:

- Measure the organization’s performance
- Identify ways to improve results
- Evaluate whether to invest or to borrow

In order to use these reports successfully it is crucial to understand what the different reports are and how to use them.

- Statement of Financial Position shows the assets, liabilities and net assets of an organization as of a certain date.

- Statement of Activity is a summary of income and expenses for a period of time with the difference stated as the change in net assets. It is not cash generated or remaining at the end of a period but measures performance – profitability.
- Statement of Cash Flow reports the results of a company on a cash basis. Arguably the most important statement, though many don’t prepare it on a regular basis.

(Continued on Page 4)

Safety for All Seasons



Many of you may have attended one of June's Homeowner Month Self-Help Build Day

Events and have had the chance to spend the day outdoors pounding nails and ingesting sawdust. The following day you probably had your share of blisters, bumps, bruises, and sore muscles. These pains, though unpleasant, can be worn for a few days as a badge of honor, knowing that you bare the physical proof of a hard day's work. While your sores were not the cause of a hazard on the construction site, you may have noticed that there are many potential safety concerns involving the construction of a home. As the days become longer and the building season kicks into high gear, this is the perfect time to remember that safety is everybody's concern and it should be an important consideration on any construction site.

Since a good number of the self-help participants and their helpers are inexperienced, it is critical that self-help housing agencies take the time to provide proper tool use and safety training. (I'm reminded of my middle school shop teacher, who, on the first day of class raised his left hand, which was missing three fingers, and said if you don't want to look like this you had better listen. Needless to say, I gave him my undivided attention at that time. To this day I still remember his safety teachings.)

When it comes to safety, knowledge is the most important tool there is. One good thing to know is

that hammers are slippery and hard to hold onto when sweating—the lesson learned is do not stand too close to someone that's hammering on a hot day. The Construction Supervisor probably has many of insightful tips of their own, learned over their years of experience. These pointers should be shared with the participants as they are being instructed to use the tools and the correct and proper procedures for performing each task. Help them by identifying potential hazards and how to avoid them. Review the safety tips that follow:

- Remind workers to be conscious of others as well as themselves.
- Inspect tools, ladders, and scaffolding before each use.
- Concentrate on your task and eliminate any distraction.
- Make everyone aware of where the first aid kit is located and how to get emergency help to your location.
- Always wear proper clothing, footwear and protective gear at the building site.
- Keep the building site clean and clear of debris and accessible as possible.

The participants take their lead from their leaders, so make sure the Construction Supervisors are being a good example when it comes to safety, care and common sense.

Welcome Grantees

Congratulations go out to the following grantees that received refunding of their 523 Mutual Self-Help Housing Grants!!

- **Interfaith Housing Alliance of Pennsylvania**, Shippensburg, PA, 21 units
- **Warrick County Habitat for Humanity**, location, #units

NCALL looks forward to continuing our partnership with these agencies. Congratulations!!

SHARES Tip

Do you have problems accessing SHARES or getting disconnected using Internet Explorer?

NCALL has a recommendation/tip! Try using Mozilla Firefox in place of Internet Explorer. We have found this to work consistently. Mozilla Firefox 3 (3.0.11) can be downloaded free at <http://www.mozilla.com/en-US/firefox/ie.html>.

Make sure you have the current JInitiator. It is 1.3.1.22 and can be downloaded from <https://shares.sc.egov.usda.gov/>. Look for "Downloads and New Features" once you log into the e-Authentication site.

FY 2010 Proposed Budget Released*

USDA / RHS Programs <i>(dollars in millions)</i>	FY 09 Appropriation	FY 10 Proposed Admin. Budget
502 Direct (ARRA**)	\$1,121 (967)	1,121
502 Guaranteed (ARRA**)	6,223 (9,850)	6,204
504 Loan	34.41	34
504 Grants	29.7	32
514 Farm Labor Hsg. Loans	20	22
515 Rental Housing	69.51	70
516 Farm Labor Grants	9.1	9
521 Rural Rental Asst.	902.5	1,091
523 Self-Help TA	38.7	39
533 Hsg. Preserv.	8.9	9.4
RCDI	6.256	6.256
HUD Programs		
CDBG	\$3,900	4,450
HOME	1,825	2,015
Mortgage Foreclosure Mitigation	180	34
Neighborhood Reinvestment	131	133
Fair Housing Initiatives Program	27.5	42.5
Rural Hsg. & Economic Dev. (RHED)	26	0
SHOP	64	77
Housing Counseling	65	100

*Budget taken from NRHC's May 7, 2009 Budget Bulletin.

**Additional funding included in the American Recovery and Revitalization Act.

The House of Representatives passed the FY 2010 Agriculture Appropriations Bill in late June. The bill includes increases for: Self Help Housing, \$45 million (+ \$6.5 million); Section 515, \$80 million (+ \$11 million) and multi-family restructuring, \$31.7 million (+ \$4 million). Let's hope that these numbers hold up in the Senate!

502 Pooling Date

The pooling date for Rural Development 502 loans is July 17th. Keep this in mind when trying to put together your summer groups!

Financials as a Tool

(Continued from Page 2)

To really understand what these financial statements indicate, analyzing them requires a logical approach. Various devices are used in the analysis of financial statement data to bring out the comparative and relative significance of the financial information presented. Some of the ratios that might be used are:

- Liquidity Ratios – Measures of the organization's short term ability to pay its maturing obligations.
- Activity Ratios – Measures how effectively the organization is using its assets.
- Expendable Net Assets – Measures the portion of net assets which are relatively liquid and available to meet operating expenses.

Remember no one device is more useful than another. Every situation faced by the analysis is different and the answers needed are often obtained only upon close examination of the interrelationships among all the data provided. Ratio analysis is the starting point in developing the information desired. Also, a single ratio by itself is not very likely to be very useful.

Finally, while awareness of the limitations of accounting numbers used in analysis is important, it must be recognized that a substantial amount of important information is not included in an organization's financial statements. Management changes, industry changes, technological developments and government actions are often critical to an organization's successful operation.

Trevino Named RD Administrator

In late May Agriculture Secretary Tom Vilsack announced the appointment of Tammye H. Trevino as Administrator for Housing and Community Facilities Programs of USDA's Rural Development.

"Tammye Trevino is a talented, hardworking leader who is a strong advocate for enhancing the quality of life and economic opportunities available in rural areas," Vilsack said. "For more than two decades she has worked tirelessly on behalf of residents in south Texas and I know she will do great things for the people of rural America."

Since 1999, Trevino served as Chief

Executive Officer for FUTURO, an Uvalde, Texas nonprofit organization that provides housing, business, community development and technical assistance. Before that, from 1998 to 1999, she was the Economic Development Director for LaSalle County, Texas, where her accomplishments included the conversion a 47-county, south Texas think tank into a non-profit organization to work on regional economic development and other issues.

Trevino is a Certified Economic Development Finance Professional as well as a Certified Housing Develop-

ment Finance Professional. She has worked extensively with USDA Rural Development programs. At FUTURO, Trevino qualified homeowners for loans to purchase or repair homes. FUTURO also received a Rural Development Intermediary Lending Program loan and two Rural Business Enterprise Program grants.

Trevino received her Master of Business Administration degree from Sul Ross State University's Rio Grande College, Uvalde, Texas, and her Bachelor of Arts degree in Communications from the University of Texas at San Antonio. Trevino is a native of Pearsall, Texas.

Guidelines for Protecting Sensitive Information



Many people assume they are protected and feel safe when browsing the Internet or receiving e-mails. The reality is that there are an abundance of threats lurking on the web. The Symantec Internet Security Threat Report for 2008 identified **1.6 million new** malicious-code threats, up 265% from 2007. The security firm found financially motivated criminal activity to be a recurring theme among the threats. PrivacyRights.org identified 383 cases of data breaches last year; of those cases, **83 million** identities were exposed.¹ With the United States accounting for 25% of worldwide activity, computer users need to take extra precautions in order to protect the sensitive information on their systems. The following are some tips NCALL recommends to keep computers and their files safe.

- **Use anti-virus software effec-**

tively. Be sure to update your anti-virus software regularly. Malicious programs are developed everyday. By updating your anti-virus software weekly, you will reduce the chance of infecting your system and/or network with viruses. By scheduling scans daily and updating the software weekly, you are more likely to keep the sensitive information on your network secure. Additionally, it is best to use multiple scanning programs like anti-virus (i.e., AVG), anti-malware (i.e., Malware Bytes), anti-spyware (i.e., Spybot-Search & Destroy) and anti-adware (i.e., Adaware). Multiple layers of protection are essential to information security. To increase your network's security, take a look at the following links:

- Go to <http://download.cnet.com> then click on "Security Software"

to view free trial versions of security software that are available for download.

- To download Microsoft's free MSRT-Malicious Software Removal Tool, go to <http://www.microsoft.com/security/malwareremove/default.mspx>.
- **Beware of deceptive anti-virus pop-ups.** Developers of malicious programs are becoming increasingly clever in their tactics. Some pop-ups will pose as Anti-Virus 2009, or a similar name, and send alerts that your system contains X amount of Trojan viruses. The screen will prompt you to move these files to a vault or remove, just as a legitimate anti-virus program will. In reality, when selecting to isolate or remove these files, you are actually launching the executable file of a virus. Once that file has been executed,

(continued on Page 6)



Best Practice Tips from Your Peers



One of the best ways to learn is to interact with your peers. NCALL decided to ask you, our grantees, for best practice tips to share with your fellow self-help housing grantees. Here is what you said:

- “While remembering we treat everyone equally, some people require different motivation than others. Treat each one as an individual and remember to remind them that it takes everyone to accomplish the goal-homebuilding.”
- “Way up and above everything else that makes the self-help program work, is the hiring of the right staff!”
- “Just because some applicants you may see today are not eligible you must do a bang up job at explaining their credit problems, how to fix them, and who to contact. Then you must follow up. This shows them that you care and that you are not dropping the ball. Yes, they must take responsibility for their debts and do the work, but they also feel more empowered if

they know you are supporting them through it all. That’s how I get people to return to me as future applicants, and it has worked. Sometimes I have worked with applicants for up to 2-3 years to get them qualified. But if you don’t work with them they will get discouraged and give up. So we must be their EMPOWERMENT!”

Thank you all for the great tips! Email jlordan@ncall.org if you have a great idea you want to share with your peers in the next Self-Helper.

Computer Guidelines *(continued from Page 5)*

it will spread throughout the network by attaching itself to other files. Other viruses pose as Windows Defender by using a screen that is similar to Microsoft. *Do not be fooled by such trickery!* Simply close the screen and perform a full scan using updated anti-virus software.

- **S is for Secure.** The “s” in “https” stands for secure. As a general rule of thumb, NEVER enter sensitive information online unless the website is using a secure server. Be certain that the URL begins with “https” not just “http”.
- **Be cautious with your e-mails!** Do not open an e-mail attachment unless you trust the sender. If an e-mail attachment that contains malicious code is opened, you jeopardize the security of your organization’s network. Opening a malicious file actually launches the executable file of a virus. Be sure that your anti-virus software scans all attachments prior to opening. A popular phishing scam mimics Hallmark e-cards. If you click on the picture to receive your “e-card”, you will actually launch an executable file of a virus. In 2008, 43% of the world’s identified phishing sites originated in the United States, according to Symantec.¹

Look for more information security tips in the next Self-Helper issue.

Reference: ¹ Messmer, Ellen (2009, April 18). Malware Had a Great Year in 2008. PC World. Retrieved on June 18, 2009 from: http://www.pcworld.com/businesscenter/article/163390/malware_had_a_great_year_in_2008.html

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

**Published Quarterly
by NCALL Research
Joe L. Myer, Executive Director
Sherry DeZwarte, Self-Help
Coordinator
Jill E. Lordan, Editor
Articles contributed by NCALL staff.
Phone (302) 678-9400
Fax (302) 678-9058
www.ncall.org**