

NEIGHBORWORKS® AMERICA LAPSE IN FUNDING POLICY¹

September 30, 2025

This Lapse of Funding Policy (“Lapse Policy”), as adopted by the Board of Directors of the Neighborhood Reinvestment Corporation, doing business as NeighborWorks America, (hereinafter, “the Corporation”) sets forth the agreed-upon protocols during a lapse in the Corporation’s federal appropriation.

When the Corporation experiences a lapse in its federal appropriation (“Lapse”), the CEO is authorized – in consultation with the Board Chair – to determine whether and how the Corporation will continue to operate using its reserve of unrestricted non-appropriated funds. The CEO will notify the Board that this policy has been invoked and will report regularly to the Board during the Lapse on: (1) the spend rate of unrestricted non-appropriated funds, (2) the remaining balance of the available reserve, (3) employee morale, and (4) any unanticipated impacts of the Lapse or accompanying government shutdown on operations. A Special Meeting of the Board of Directors may be called if so desired by the Chairman.

It is generally expected that the Corporation will continue operating during a Lapse using unrestricted non-appropriated funds, and will reevaluate its operations status at regular intervals based on the available balance of that reserve. The CEO will determine whether and how to implement a full or partial shutdown of the operations of the Corporation and will report those plans to the Board of Directors at least seven (7) calendar days before implementation.

The Corporation will modify its operations during a Lapse to preserve available funds. For instance, the Corporation will minimize its discretionary spending by reducing travel and deferring contract decisions/expenses that will not negatively impact externally-funded project deliverables. During a Lapse, the Corporation also may seek to increase its reserve of unrestricted non-appropriated funds through fundraising.

Areas of Priority Consideration during a Government Shutdown.

- **Performance Obligations to External Non-Federal Parties.** In making operations decisions during a Lapse, the Corporation will give priority consideration to program areas in which the Corporation is obligated to performance and deliverables by contracts or agreements with external non-federal parties. For example, a determination about shutting down the operations of the Corporation would prioritize maintaining some organizational infrastructure to support continued, uninterrupted delivery under those contracts.

¹ This policy contains edits that are subject to board review and approval.

- Large, External Facing Events. Operations decisions during a Lapse will give special consideration to the Corporation's previously-scheduled, large external-facing events – such as the NeighborWorks Training Institutes and the Community Leadership Institutes. The Corporation will analyze the likely implications of cancelling or rescheduling such an event, and will deliver that analysis to the Board Chair along with the CEO's determination about how to proceed.

As stated in its enabling act, NeighborWorks America is not an agency, department, or instrumentality of the federal government; and NeighborWorks America employees are not employees of the federal government. Nevertheless, the Corporation will provide a Lapse Plan in the format requested by the Office of Management & Budget and will update that Lapse Plan as necessary.