

NATIONAL CREDIT UNION ADMINISTRATION
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

**General Guidelines for Technical Assistance Grants for
Credit Unions**

Urgent Needs Grant -2008

Closes: December 31, 2008 or when funds are exhausted.

1. Application
2. Instructions
3. Guidelines
4. Sample Evaluation Sheet

Eligible credit unions may apply for up to \$3,000.

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<h2 style="margin: 0;">Application</h2> <h3 style="margin: 0;">Urgent Needs Grant - 2008</h3>

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in the application.

Before completing the application, please read all instructions and guidelines carefully and thoroughly.

Answer the following questions. Attach separate sheets for your responses.

1. Describe fully the activity or project that the grant will cover.
2. Describe how this request meets the criteria of an Urgent Needs grant, as listed under the heading “What Is Considered An Urgent Need?”
3. Explain how this item resulted in an unplanned and/or unexpected expense for the credit union.
4. Describe how failing to implement the project, undertake the activity, or purchase the item, would adversely affect the credit union’s operations, financial condition, or impair existing service to members.
5. What is the total cost of implementing the project or undertaking the activity—including grant awards from NCUA, the credit union’s own monies, grants from other partners, and all other funds provided to complete the project:?

Total cost of the project—

NCUA grant: \$ _____

Other funds: \$ _____

Total Cost of Project \$ _____

6. Provide a list of vendors who will deliver the goods and/or services, and an itemized list of costs associated with the project.

Please provide your response in the format shown below. List costs in order of most to least important.

Vendor Name	Item Description	Cost of Item
(1) <u>Example Company</u>	<u>1 Thing</u>	<u>\$ 500.00</u> (most important)
(2) <u>Sample, Inc.</u>	<u>4 Things @ \$100.00</u>	<u>\$ 400.00</u> (least important)

7. Attach copies of bids, estimates, prices, and other supporting information.

General Guidelines for Technical Assistance Grants for Credit Unions

Urgent Needs Grant -2008

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4 above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12 above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

(703) 518-6610—phone
(703) 519-4088—facsimile
oscuiapps@ncua.gov—email

Guidelines

1. What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

2. What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to help low-income credit unions provide financial services to their members and to make the operations of those credit unions more efficient.

3. Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

4. What is the Urgent Needs Grant?

The urgent needs grant is provided to ensure the continued growth and viability of a credit union with an immediate and pressing need for improving its financial condition or operations.

Urgent needs are those items or incidents that result in unplanned or unexpected costs to the credit union.

In its application, the credit union must demonstrate that (1) the item requested represents an unplanned or unexpected cost to the credit union and that (2) failing to implement the project, undertake the activity, or purchase the item, would adversely affect the credit union's operations, financial condition, or impair existing service to members.

The use for the grant funds described in this application would typically not fit under another grant initiative. The primary purpose of a request for an urgent needs grant must remain consistent with the overall purpose and intent of the CDRLF program.

Examples of urgent needs might include, but are not limited to activities such as repairing damage or replacing equipment that is not covered by insurance, updating records; conducting a fraud audit; or, collecting on delinquent loans.

The following examples are not considered urgent needs:

- Replacing obsolete or outdated equipment: replacement can be planned in advance.
- Training expenses which can be requested under other CDRLF initiatives.
- Vendors' price increases, although unexpected, are not urgent needs. They are operating expenses.
- Funding for salaries, annual audits, and other operating costs are not considered urgent needs; these expenses are regular operating expenses.
- Addressing items of supervisory concern (such as those items recommended in the Document of Resolution) are typically not urgent needs.

5. How much money is available?

The amount allocated to the urgent needs grant is \$150,000. The maximum annual grant amount is \$3,000. Credit unions may request up to \$3,000.

6. What are allowable uses of grant funds?

Urgent needs applications are unique to each credit union.

OSCUI will list approved expenses in the award letter to the credit union.

7. How does the grant payment process work?

- First, credit unions must apply for a grant before making any expenditure.
- After receiving a grant approval letter, the credit union may purchase the goods or spend the funds, up to the amount approved.
- After making the expenditure, the credit union must then submit copies of receipts and proof of payment to NCUA for reimbursement. OSCUI encourages credit unions to submit all receipts at one time.
- NCUA will review the receipts and issue a check to reimburse approved expenditures. Checks generally take 3 weeks to be issued from the U.S. Treasury.
- All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.
- OSCUI will not process incomplete applications. Credit unions may resubmit a grant application, provided the submission deadline has not passed and grant monies have not expired.
- Credit unions must also send a summary of the grant outcome to OSCUI. Credit unions failing to submit the summary may be ineligible for future grants.

8. How are grant applications evaluated?

Subject to funds availability, grants are awarded after careful consideration of the merits of an application. Grant applications will be considered based on the financial and non-financial factors listed below.

Financial factors include, but are not necessarily limited to, the following:

NCUA CAMEL* Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the overall financial condition of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether credit union management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

* CAMEL ratings are explained in NCUA Letter to Credit Unions No. 07-CU-12. Financial ratios are explained in the Users' Guide for NCUA's Financial Performance Report. Both documents are available on the NCUA website at <http://www.ncua.gov>.

Purpose is a determination of whether the outcome of the project, as described in the grant application, is consistent with the purpose of the CDRLF as described in Section 705.10 of the NCUA's Rules and Regulations. The purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) improving the operations of the credit union. OSCUI will deny grant applications in which the purpose of the grant is inconsistent with the purpose of the CDRLF.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications with projects having an impact on the community as whole will receive more favorable consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Section 705.2(b) of NCUA's Rules and Regulations states that the purpose of the CDRLF is to gain maximum economic impact on as many participating credit unions as possible. Therefore, credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. More favorable consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Under this grant initiative, a credit union with a viable partner relationship will receive more favorable consideration.

Leverage is a determination of the degree to which the credit union has acquired resources other than NCUA grants. Leverage measures the total cost of the project compared with the total grant dollars requested from NCUA. If, for example, a project costs \$5,000 and the credit union requests \$5,000 from NCUA, that project's leverage ratio is 1-to-1. If, for example, a project costs \$20,000 and the credit union requests a \$5,000 grant from NCUA, that project has a 4-to-1 leverage ratio. Projects with a higher leverage ratio will receive more favorable consideration.

For those TAG requests submitted as an Urgent Needs Grant, the OSCUI will determine the appropriateness of the request, basing its decision primarily on whether the request meets the criteria of an urgent needs grant, on financial and non-financial factors, as listed above.

Urgency is defined as a circumstance where a credit union has a compelling need for immediate action or attention and where receipt of a grant is expected to mitigate the urgency. For a grant application to meet the criteria of an Urgent

Needs Grant, the credit union must definitively show, in its application, that the item or incident resulted in an unplanned, unexpected cost to the credit union. The purpose of an urgent needs grant must remain consistent with the purpose of the CDRLF.

9. Is there anything that would cause an application to be immediately denied?

Yes.

(a) Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

(b) TAG funds are not provided for recurring operational expenses such as salaries, rent, maintenance agreements, annual audits, funding for the allowance for loan losses, or office supplies.

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

Expenses for contractors may be reimbursable under certain grant initiatives. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

(c) Credit unions may not use TAG funds to provide funds to members, such as funding the matching portion of an IDA program or providing gift cards to members.

(d) Credit unions failing to submit summaries for grants previously awarded may be ineligible to receive additional grant funds.

(e) TAG funds may not be used to reimburse NCUA, or any government agency, for any activity.

10. Are there restrictions or limits on which items will be reimbursed?

Yes. The following restrictions apply to reimbursements under CDRLF grant initiatives. The list highlights the more common reasons that OSCUI would not reimburse expenses.

Equipment Purchase and Installation:

Annual maintenance fees and insurance costs are not reimbursable.

Marketing:

Marketing and advertising for the general promotion of the credit union will not be reimbursed.

Mileage:

Reimbursement requests for mileage must include receipts and the starting point, the destination, and the number of trips. Mileage is reimbursable at the 2007 IRS standard mileage rate of \$0.485 per mile.

Postage:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of mailings, with its requests for reimbursement of postage.

Printing/Copying:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of copies made, with its requests for reimbursement of printing and copying.

Promotional Items:

Promotional items such as gifts, give-aways, souvenirs, or gift cards are not reimbursable.

Regular Expenses/Pro-Rated Expenses:

Regular expenses of the credit union, such as rent, utilities, and depreciation are not reimbursable under this grant initiative. "Pro-rated" expenses of the credit union, such as a portion of telephone or utility costs, are not reimbursable. These expenses are considered regular operating expenses.

Salaries/Contractors:

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

Undocumented Expenses:

To be reimbursed, credit unions must submit invoices or receipts that correspond to the items listed in the grant award letter, and proof of payment. Requests for reimbursement that do not contain adequate documentation will not be reimbursed.

11. What are the application deadlines?

Application Close Date: December 31, 2008
or when funds are exhausted.

12. What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application. The application must include the signed application form, answers to all questions in the application, and copies of bids, estimates, prices, and other supporting information.

Incomplete grant applications will not be considered. Credit unions may resubmit a completed application provided the application acceptance period is still open, and funds are not exhausted.

13. Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088
Applications may be emailed to: oscuiapps@ncua.gov

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

14. When will credit unions know about grant awards?

Applications under this grant initiative are evaluated as they are received. Typically, OSCUI will notify credit unions of their awards within 15 business days of receiving their application.

15. What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide a summary of the impact of the grant funding to OSCUI as stated on the grant application form. The time frame for submitting the summary will be stated in the award letter. The submission deadline allows reasonable time for the credit union to ascertain the benefits of the grant.

The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions' success stories provide invaluable supporting information when OSCUI requests annual appropriations from Congress to replenish the grant and loan fund. Credit unions must specify the impact the grant funds

have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

Evaluations may be faxed to: 703-519-4088

Evaluations may be emailed to: oscuiapps@ncua.gov

Failure to submit this evaluation will have an impact on the credit union's ability to receive grants in the future.

16. How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610

Fax: (703) 519-4088

Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<h2 style="margin: 0;">Grant Outcome Evaluation</h2> <h3 style="margin: 0;">Urgent Needs Grant - 2008</h3>
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Name or short description of the credit union's project:
2. Primary purpose of the project: (select only one)
 - Providing financial services to members
 - Improving the credit union's operations and/or financial condition
3. Total cost of the project—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to complete the project:

NCUA grant:	\$ _____
Other funds:	\$ _____
Total Cost of Project	\$ _____

4. How many members does the credit union currently serve?
5. You may attach separate sheets to describe the project in more detail.

Please note that your credit union's success stories provide invaluable supporting information when we request annual appropriations from Congress to replenish the grant and loan fund.