

## Accessing AFI Grant Funds, Part 2: Drawdown

Accessing AFI grant funds is a two-part process. Once direct deposit is established, the second part is actually to transfer the funds into the AFI Project Reserve Account. This process is often called “drawdown.”

Following are the specific roles and steps required in order to arrange for a drawdown.

### **GRANTEE ROLE**

*Deposit nonfederal cash cost-share funds into the Project Reserve Account.* The grantee must deposit at least some of the nonfederal cash into the Project Reserve Account in order to draw down Federal AFI grant funds. *Note:* Grantees may draw down Federal grant funds incrementally as they deposit the nonfederal cash. However, the amount of Federal grant funds released may not exceed the amount of nonfederal cash contributions deposited in the Project Reserve Account.

*Submit two letters.* The grantee must submit two letters to the OGM. The grantee should submit the two letters simultaneously and should send copies of both to OCS.

- Grant drawdown request letter. This is an official request that HHS release an amount of the Federal AFI grant funds for deposit into the AFI Project Reserve Account. (See a sample grant drawdown request letter following this discussion.)
- Financial institution account verification letter. This is a letter from the qualified financial institution verifying that a nonfederal dollar amount has been deposited in the Project Reserve Account and specifying this amount. The letter must be signed by a financial institution official. (See a sample account verification letter following this discussion.)

*Both* letters must include the following information:

- 1) grantee name,
- 2) grant number, and
- 3) qualified financial institution Project Reserve Account number.

*Note:* A grantee that is a credit union or community development financial institution and is the holder of the Project Reserve Account may submit one letter requesting the funds and verifying the reserve funds. This letter must be signed by both the AFI Project authorizing official (signature on the application) and the authorized official (not a clerk or teller) of the institution.

*Check account for deposit.* Following submission of the required letters, monitor the Project Reserve Account to confirm that the HHS Division of Payment Management transfers the Federal AFI funds as requested.

### **OFFICE OF GRANTS MANAGEMENT Role**

*Verify information.* OGM verifies the account number against the account listed on the approved Standard Form 1199A.

*Verify that grantee has submitted all required reports and other forms.* OGM reviews the grantee file to determine whether all required fiscal and narrative progress reports have been submitted and are in the file. (See following documents for explanations of these reports.) OGM will not approve the drawdown of funds until all required reports have been received. OGM will contact the grantee if any reports or other required information is missing.

*Recommend release of funds.* If all is in order, OGM will send a memo to the HHS Division of Payment Management (DPM) authorizing it to release the requested funds to the grantee's Project Reserve Account.

### **Division of Payment Management Role**

*Deposit Funds into Grantee Project Reserve Account.* The HHS Division of Payment Management deposits the specified Federal AFI grant funds into the AFI Project Reserve Account. (The funds are electronically wired, usually within 48 to 72 hours.)

### **Office of Community Services Role**

*Coordinate with OGM and the grantee.* If needed, OCS will help facilitate communications between OGM and the grantee to ensure timely release of funds. It is thus important that the grantee send copies of the forms and other correspondence to OCS.

## ***Sample Grant Drawdown Request Letter***

Grantees must submit a written request to the Office of Grants Management for drawing down AFI grant funds. The following is sample language for the grantee draw down request. At the time of request, the grantee must also submit a letter from the project's qualified financial institution verifying that an amount of the nonfederal cash contribution is currently on deposit in the Project Reserve Account. It is advisable to mail the draw down letter *with* the financial institution account verification letter.

*Name*

Grants Management Specialist  
Office of Grants Management  
Administration for Children and Families  
370 L'Enfant Promenade SW, Fourth Floor  
Washington DC 20447

Regarding: AFI Project and grantee name: *ABC Agency*  
Grant number: *90EIXXXX*  
Financial institution: *XXXXXXX*  
Account number: *Bank account number*

Dear *Name*:

Please authorize the release of \$000,000.00 of grant funds for the AFI Project noted above. The Project Reserve Account is on deposit at *XXXXXXX*, as specified in the grant proposal and on official grant documentation. Attached please find a letter from *XXXXXXX* verifying that the Project Reserve Account currently holds an amount of nonfederal funds at least equal to the amount of grant funds we are requesting today.

Sincerely,

Signed by Authorized  
Representative,  
Grantee Organization

## ***Sample Financial Institution Account Verification Letter***

The Office of Grants Management will authorize release of grant funds from the Payment Management System to the extent that the grantee provides evidence that the nonfederal cash contribution for the AFI Project is on deposit in the Project Reserve Account. Grantees must arrange for the financial institution that hosts the Project Reserve Account to send a letter to OGM verifying that the nonfederal cash contribution is on deposit. It is advisable to mail this letter *with* the draw down request. The following is sample language for a verification letter from the financial institution.

*Name*  
Grants Management Specialist  
Office of Grants Management  
Administration for Children and Families  
370 L'Enfant Promenade SW, Fourth Floor  
Washington DC 20447

Regarding: AFI Project and grantee name: *ABC Agency*  
Grant number: *90EIXXX*  
Account number: *Bank account number*

Dear *Name*:

This letter confirms receipt of funds deposited into the AFI Project Reserve Account noted above in the amount of \$000,000.00. These funds are currently on deposit in the account and are available for supporting the AFI Project.

Sincerely,

Signed by Authorized  
Bank Representative