AFI PROJECT BUILDER:

Guide for Planning an Assets for Independence Project

Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services

June 2006 Update – With New Appendices

Acknowledgments

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1. INTRODUCTION

This guidebook is for organizations that want to design and implement an asset-building project supported by the Federal Assets for Independence Program (AFI). This innovative program explores new ways of helping individuals with low incomes become economically self-sufficient for the long-term. Such security may come from a more stable and better wage and more stable housing. AFI is administered by the Office of Community Services (OCS), within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

Through the AFI program, OCS administers grants of up to $1 million to nonprofit and local, State, and tribal government agencies and their partners to manage asset-building projects. The projects typically include several components. They include financial education to clients, assistance with saving money, counseling on financial issues, and support in obtaining any of three assets: a first home, postsecondary education, or small business capital. Participants may also save funds for transfer to a dependent.

The centerpiece of the AFI program is the Individual Development Account (IDA). An IDA is a bank account that allows individuals and families to save money and eventually acquire an economic asset to build long-term financial stability. AFI Program goals are to explore and identify innovative models for delivering IDAs and related services and to measure impacts on participant families and their communities.

This guidebook outlines the necessary elements of successful AFI Projects. It is designed for organizations new to the AFI program and is a complement to the official guidance for applying for an AFI grant—the AFI program announcement. The announcement includes all official instructions and other guidance for submitting an application for funding. (Please see the Appendix for a copy of the announcement.)

The guidebook begins with an introduction to the Office of Community Services. Section 2 presents an overview of the asset-building approach to reducing poverty in America, a 21st century strategy that has tremendous potential. Section 3 provides a detailed description of the core elements of successful AFI Projects, including suggestions from some of the most well established AFI Projects across the nation. The guidebook ends with a checklist of information to include in an application for AFI funding. Throughout, you will find helpful sidebars with additional information, tips, and insights from current AFI Projects. Finally, the appendices feature sample documents and many other materials for developing a high-quality AFI Project.

The Office of Community Services: Who We Are

OCS administers numerous vital programs that support low-income individuals and families. The mission of the Office of Community Services is to increase the capacity of individuals and families to become more self-sufficient and assist them in building, revitalizing, and strengthening their communities. OCS has its roots in the "War on Poverty." Many of its programs originated within the Office of Economic Opportunity in the 1960s. In keeping with that history, OCS works in close partnership with States, nonprofit organizations, faith-based groups, and others, to give a helping hand to low-income individuals, families, and communities.

In addition to managing the Assets for Independence Demonstration Program (AFI), OCS administers several other "social safety net" programs. These include three block grant programs administered in partnership with States and numerous competitive grant programs offering funding directly to community-based organizations.

OCS's flagship program is the Community Services Block Grant (CSBG), through which OCS provides core funding to States for more than 1,100 Community Action Agencies across the nation. The CSBG enables this network of nonprofit, faith-based, and government agencies to provide an array of services to families with low income, including day care, job training, job development, emergency services, and transportation. OCS also administers the Social Services Block Grant, which provides substantial flexible funding to States for a host of services such as day care and emergency services, among others. Through the Low Income Home Energy Assistance Program (often called LIHEAP), OCS provides block grant funding to State agencies to support home energy assistance and to help families make their homes energy efficient.

OCS's competitive grant programs, which include AFI, are all designed to strengthen community-based organizations in social service delivery and economic development services for the benefit of families with low incomes. The Community Economic Development (CED) program and the Job Opportunities for Low Income Individuals (JOLI) program provide grants for community development corporations to support commercial development and create new jobs in low-income neighborhoods. Through CED and JOLI, OCS also supports microbusiness development and self-employment initiatives.

The Community Food and Nutrition program provides funding for community organizations that coordinate community food-access projects for families with low income. The Rural Facilities Program provides training and technical assistance for small rural communities in the development of sewer and wastewater systems. The National Youth Sports Program enables more than 250 colleges and universities across the nation to sponsor summer sports and youth development programs for at-risk youth. Finally, the Compassion Capital Fund builds the capacity of emerging faith- and community-based groups with the long-term goal of enhancing the availability of services in communities nationwide.

2.   WHY ASSET BUILDING?

Asset Poverty

The endemic problem of poverty in America is well known, especially among those engaged in providing services for low-income communities. Researchers, policy makers, and service providers have historically focused on income-based approaches to addressing poverty – helping people secure funds to address immediate needs. But does this go far enough? Doesn't an individual need longer-term financial stability that can only come from having economic assets? This means having the ability to save and invest in order to purchase such assets as a first home, a small business, or human skills for use in getting a job that brings in livable wages. This is where AFI comes in: to provide assistance to those who need help in becoming financially stable.

Recent studies of the problem of asset poverty in America have suggested that an asset-based approach is promising. A household that is asset poor usually has a low financial net worth (assets minus liabilities) or, even worse, negative net worth (debts). Typically, there is little other than earned income or public assistance to offset living expenses. They certainly have little financial cushion. A job loss or health emergency, for example, can cripple their ability to pay for even basic living costs such as food and housing.

Asset poverty and low net worth are major problems for Americans. The rates of asset poverty are much higher than the rates of poverty as measured by the Federal poverty level. One study looked at asset poverty between 1983 and 1998 and found that 25.5 percent of all U.S. households in 1998 were asset poor. That was nearly double the 12.7 percent rate of income poverty calculated for that same year.[*]

Asset poverty rates are even more severe for racial and ethnic minorities in the United States. In their 1995 book, *Black Wealth/White Wealth,* Melvin Oliver and Tom Shapiro document that the median net worth of African American households was $3,700, while white households' median net worth was nearly 12 times as great, at $43,800. Concentrating on Census Bureau data from 1987 for their research, the authors also found that 31 percent of all American households had a zero or negative net worth, but the rates for African-American households were 60 percent and those of Hispanic households totaled 54 percent.[†]

Asset poverty, unfortunately, affects children at a disproportionately greater rate than the rest of the population. Upwards of 47 percent of all American children live in households with no financial net worth. This disparity, too, is more pronounced among African-American households, where 73 percent of children grow up in homes with negative financial assets. Among white children, this rate is 40 percent.

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[*] Haveman R. and Wolff, E. *Who Are the Asset Poor?: Levels, Trends, and Composition, 1983–1998.* St. Louis: Washington University, 2000.

[†] Oliver, Melvin and Shapiro, Thomas. *Black Wealth, White Wealth: A New Perspective on Racial Inequality.* New York: Routledge Press, 1995.

How Does Asset Building Help?

The New America Foundation, a national nonprofit group that addresses public policy challenges, defines the term "asset building" as a "broad array of public policies, strategies, and programs that enable people with limited financial resources to accumulate long-term and productive assets, such as savings, investments, a home, postsecondary education and training, and a nest egg for retirement."

> **TIP:** To learn more about asset building, see the AFI Website at
> http:///www.acf.hhs.gov/assetbuilding

Asset-building efforts are important for addressing poverty in our communities because they provide expanded opportunities for economic stability. Research shows they also have wider positive impacts beyond the tangible assets accumulated. Families, for example, may experience the following benefits:

- A psychological orientation toward the future;

- Decreases in marriage dissolution;

- Increased residential stability;

- Improved health and well-being;

- Increases in civic and community involvement; and

- Decreases in the likelihood that future generations will be impoverished.

According to Larry Beeferman, author of *The Promise of Asset-Development Policies, Realizing the Promise—Individual Development Accounts*, "Asset-based policies measure well-being not only by income, but also in terms of building human capital and financial assets. They address the common needs and aspirations of Americans by rewarding work, promoting initiative and self-reliance, and embodying widely shared beliefs about fairness and opportunity.... They focus not just on meeting short-term needs but on building assets for the long-term."

> *"Clients [of our asset-building program] want immediate satisfaction, but we can explain how they can work toward something better," says an AFI grantee. "That's probably the biggest thing that makes an asset different from a washing machine.... Don't compare the money you spend on your mortgage to a car payment you take on, to drive the coolest set of new wheels. In five years, [the car is] worthless. But if you drive something more humble, in five years you have a house with equity with all sorts of benefits [as] part of it.... That might be the message to hammer away."*
>
> —An AFI Project

How Do IDAs Fit In?

Individual Development Accounts, or IDAs, were developed as a mode of promoting asset accumulation among the nation's poor by Michael Sherraden, Director of the Center for Social Development at Washington University in St. Louis. He explores asset building and IDAs as a method to spur asset building in his 1991 book, *Assets and the Poor.*

> *"Few people have ever spent their way out of poverty. Those who escape do so through saving and investing for long-term goals."*
> —Michael Sherraden, Director of the Center for Social Development

IDAs are quite powerful tools for promoting asset accumulation among families with low incomes. They are accounts held at financial institutions and are designed to promote savings. The savings accumulated in an IDA are matched with grant funds (rates of match generally range from $0.50 to $8.00 for every $1.00 a participant saves). When the accountholder is ready, both the savings and the match are used to leverage a larger asset investment with long-term return potential. Typical asset goals for the savings and match are homeownership, higher education, job training, and small-business capitalization.

In addition to helping participants save earned income and make regular deposits into their IDAs, asset-building programs offering IDAs, such as local projects that are funded by the Assets for Independence Program, often provide financial education and related services as well. These programs may provide individual counseling on matters such as credit repair and support for a successful asset purchase. Many programs further link the successes of IDAs to other asset-building initiatives, such as promoting access to the Federal and State Earned Income Tax Credit (EITC) or the Child Tax Credit, or by pairing participation in an IDA with successful completion of a job-training and placement program. All such activities help participants develop skills and improve their financial habits for the long-term. According to Robert E. Friedman, writing in *Assets Newsletter*, Fall 1997, "IDAs may not get us all the way

to our goals, but they help restore to poor people and distressed communities a reasonable opportunity to realize the American Dream of good jobs, safe homes, and small businesses."

"Our clients have been through many programs in the past. [AFI] is a mentality shift to start thinking: why not stop dealing with the system and make money on your own."
—An official of an urban AFI Project

3. DESIGNING AN AFI PROJECT

This guidebook highlights basic factors to consider when deciding if your agency is ready to create an asset-building project and apply for AFI funding. These include how to identify target communities and plan activities to meet their needs, how to partner with other organizations that could provide some services to project clients, how to manage the nitty-gritty details of developing the savings match process, and more.

There is no one "perfect" framework for an AFI Project. Each project strives to shape its services to meet the particular needs and circumstances of its community and participants. Some projects deliver services to a relatively small geographic place such as an urban neighborhood, while others provide services throughout large rural areas. Still other AFI Projects are managed by networks or consortia of organizations that coordinate their services across a city or metropolitan area, in several different cities or even across a State or the entire nation. These are all effective models.

It is important to take the time to familiarize yourself with the AFI statute and the AFI program announcement. The Assets for Independence Act (AFIA) includes the rules about grant application requirements, client participation, project management, and other issues. The program announcement, in turn, takes these requirements and outlines—in detail—what is required in submitting a grant application and running an AFI Project. The Project Builder mirrors what is called for in the program announcement, providing tips and insights about successful AFI Project design. However, AFI Project managers will need to know the AFIA legislation and the program announcement throughout their involvement with AFI.

TIP: The Assets for Independence Act (the statute that shapes the AFI Program) and the most recent AFI Program Announcement are both posted on the OCS Web site at http://www.acf.hhs.gov/assetbuilding.

Regardless of how big or small you envision your AFI Project, you should begin the program design process by taking some basic steps, summarized below. These steps generally reflect what is required in a program application. They build upon each other as you go to the next level in creating your program and writing your AFI grant application.   For example, you may already have a needs assessment and a training program in place, which you can modify as you go through some of the other steps. In another program, a review of your organizational capacity may point out some gaps, at which point you will need to decide whether to move forward with AFI. You may decide to pursue AFI in a later grant cycle, when things are in place.

A. **Target Population.** Decide whom you want to serve by learning more about what asset-building needs exist in your area. Do an assessment of your target population's needs and strengths.

B. **Goals/Objectives.** Reflect on your findings from your target population assessment, and outline a goal or goals (a broad vision) and objectives (major results your project will strive to achieve for meeting its goals). At this stage, these goals and objectives are not set in stone. You can come back and revise these as you continue to map out your project.

C. **Training and Support for Project Participants.** Think about how you will train your project participants to become "financially literate" (i.e., learn how to develop a budget and savings plan) and prepare for their asset purchase, as well as what other supportive services you will offer.

D. **Account Mechanics and Participant Individual Development Accounts.** Learn about some of the AFI requirements for financial management, including the characteristics of the AFI Project Reserve Account. Design the structure of client IDAs. How much will the clients save? How long will they have to accumulate their savings? How much will the project match for each dollar participants save?

E. **Marketing and Recruitment.** Now that you know who the project will serve and what it will provide, determine strategies for how the project will inform the target community about the project and the promise of IDAs.

F. **Organizational Capacity.** Determine whether your organization has the experience, commitment, and staff resources to successfully manage an AFI Project.

G. **Partnerships.** Explore the opportunities for using partnership arrangements in order to expand your organization's abilities and leverage other resources so AFI participants will be more likely to succeed. Also, such partnerships and collaborations might make the project more cost effective.

H. **Networks.** Examine the opportunities for forming a network arrangement for your AFI Project. An AFI Network is a program management model in which the grantee organization works with multiple sub-grantees or services sites to offer IDAs across a wider geographic region.

I. **Implementation Plan.** Map out your ideas on a timeline so you can plan what resources and activities will be needed at points throughout the project. The timeline will also help you track successes and challenges.

J. **Evaluation.** AFI, as a Federal demonstration program, includes a national evaluation designed to reveal what works in asset building. Your organization will need to participate in the National Evaluation by providing data on at least an annual basis. You may also set up your own evaluation to better understand the effects your program is having on the community. Finally, your organization certainly should focus on overall project management and quality control throughout the project period.

K. **Funding.** Strategize about additional resources. To make an AFI program work, your organization will need resources in addition to the Federal grant. This requires securing a nonfederal dollar for every AFI grant dollar. At the start of an AFI Project, these nonfederal dollars need to be in the bank or backed up by a strong guaranteed commitment. Also, think about raising additional supporting funds. And, as with other projects, an organized budget and budget justification should be in place.

The following is a discussion of these ideas in greater detail.

A.   Target Population

The first thing you need to do before setting up an AFI Project is to analyze the asset-building needs of your target community and the community context (such as existing asset-building activities). This analysis will help you learn how your AFI Project can fit in, to fill gaps. As you do this assessment, keep AFI program requirements in mind.

AFI Program Factors

There are two key factors to consider when assessing whether and where to start an AFI Project: geographic location and participant income.

Factor 1. Geographic Location

OCS is particularly interested in supporting AFI Projects that target localities where economic conditions indicate a need for asset-building opportunities. Specifically, OCS hopes to support AFI Projects targeting one or more well-defined neighborhoods or communities with documented high rates of poverty or unemployment.

When considering a geographic location:

- **Remember Your Organization's Mission and Goals.** Many organizations have a mission that identifies a geographic location within which they work. Others may set goals and objectives that lend to a specific geographic definition. These established limitations are the best place to start when determining the locations for recruiting participants and offering services.

- **Choose Locations Where Your Organization (and Partner Agencies) Already Provides Services.** Because your organization has established ways of working in these locations, you can often achieve cost savings in the AFI Project budget because you will not need to create new modes of delivering services.

- **Concentrate on a Specific Area (or Areas).** If your organization could target one neighborhood with substantial numbers of residents who are eligible to participate, it would reach its account-opening goals without spreading resources for marketing and outreach too thin. There are other advantages of geographic proximity for program participants. For example, it often is easier for families to attend workshops and events in their neighborhood. If your organization is developing a Network or collaborative approach, where multiple groups will provide AFI Project services in numerous different localities, each subcomponent project should serve a relatively well-defined target community.

Factor 2. Participant Eligibility

As you define the target group for the project, you will want to keep in mind the AFI participant eligibility requirements. A person is eligible to participate if they meet one of the following two major criteria:

1. They are eligible for the Temporary Assistance for Needy Families (TANF) program at the time of application.

OR

2. They meet both of the following two sub-criteria:

    A. Their household income is either less than twice the Federal poverty line at the time of application or within Federal Earned Income Tax Credit limits.[*]

    B. Their household net worth was less than $10,000 at the end of the calendar year that proceeded the time of their application.[†]

All AFI Project families must have a source of earned income during the savings period. (Note: EITC is counted as earned income.) This is because they may save only earned income in their IDAs, reflecting the program's philosophy that work is central to success in achieving financial stability

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TIP: CFED has created a template for typical forms used in an IDA program, including one that has a comprehensive list of asset and liability items that are needed for the client net-worth test. To access these forms, go to http://idanetwork.cfed.org/.

Steps to Understanding Your Target Population

While organizations interested in asset building typically have a history of working with low-income clients, successful AFI grantees still must examine needs more closely during the program design stage to determine *what* needs exist and *how* to meet them. Findings can be revealing – even for an experienced agency. One grantee found from interviews with staff that a subset of its clients was so unstable – and had such low incomes – that they were unlikely to be successful candidates for IDAs without more long-term support.

Poverty and unemployment rates for your community can be found at several government Web sites such as the U.S. Census Bureau (http://www.census.gov/) and the Department of Labor (http://www.dol.gov). Other methods of describing high rates of poverty include identifying

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[*] Twice the poverty level, in 2004, is about $37,000 for a family of four. Appendix B includes additional information about the poverty line and the Earned Income Tax Credit eligibility for households of various sizes.
[†] Household net worth is the amount of assets owned by all household members minus their debts. Clients may disregard the value of their primary home and one car when calculating their household net worth.

the rate of Temporary Assistance to Needy Family (TANF) recipients in the total population of the community (see http://www.acf.hhs.gov/programs/fbci/progs/fbci_tanf.html for information on TANF programs) or describing the underemployment experience in the community (this information can also be found from the above sources). Yet another indicator is the usage rate of the Earned Income Tax Credit (EITC).

Consider the additional topics and questions below to further describe your target population, their needs, and the likelihood that they can complete training, save, and be successful participants in this program. The information gleaned from this process will be valuable as you design other components of your project.

Demographic Information

Are you working with distinct ethnic or racial groups? Is there a preponderance of one type of household composition you will be targeting (e.g., female single heads of household, single fathers with noncustodial children, families with members who are incarcerated, married couples)? What are the general employment opportunities for your target population? What level of education does your audience possess?

"I almost can't imagine starting an AFI Project if I didn't have a clear understanding of the needs of low-income people in the area being served. If you don't know that, you're going to have a very steep learning curve."

> —An official of a statewide AFI Project Network

Savings Capacity

What is a typical budget for essential living expenses in the target community? Given the average incomes in the area, would your target families have money for saving in their IDA once their basic expenses are met? About how much could they reasonably save each month?

Asset Acquisition

What are the rates of homeownership, small-business ownership, and attainment of post-secondary education credentials among your target population? How could you gauge the demand for these asset goals among your target population? Could your AFI Project participants also work with a homeownership program managed by a partner organization? Could they be coordinating with a microbusiness development project managed by a local community development corporation?

Credit and Debt Management

What is the likelihood that your audience can successfully save and stay out of debt, as reflected in trends in their debt usage and credit history? Are participants likely to need credit counseling and debt repayment support? Will they need help establishing a credit history and managing mortgage payments?

Banking History

What is the rate of bank account ownership among your target population? What type of access to basic banking services does your target population have? What is the use of check-cashing establishments among your target population?

Additional Barriers

What are some challenges typically faced by your target population outside of income and asset considerations? Barriers such as illiteracy, lack of access to child care, lack of stable employment or sufficient job training, transportation, or other social service needs may affect an individual's ability to participate in an AFI Project. Any resources in your community that you can access to help mitigate these needs will be important for your organization's program design.

TIP: See Appendix C for information on specific tools you may use for collecting data on your target population and community.

Community Context

Part of understanding your target population is learning about the community context within which participants will be saving and purchasing assets. First, you will want to determine if there are other asset-building programs already available in your community. Then, you will want to explore financial resources and possible funding sources. Finally, you will want to ask the critical questions related to whether the assets in your area are affordable for the participants to purchase.

Existing Asset-Building Programs

Are organizations in your community already offering IDAs to low-income people? (See the Project Locator on the OCS Asset Building website at http://www.acf.hhs.gov/assetbuilding for a list of currently-funded AFI Projects.)   If so, it might be advantageous for you to partner with these organizations rather than duplicating services and competing for funding in your community.

Financial Services

Are there sufficient financial services available in your community to provide the basic elements of the IDA? Are there affordable savings accounts with convenient access for deposits? Are there affordable loan products for mortgages, school loans, and small-business loans?

Funding Sources

What organizations in your community, both public and private, would you be willing to approach to help raise the nonfederal funding portion of your AFI grant?

Homeownership

Will the savings and match provided with the IDA be sufficient for a down payment and closing costs for home purchase? Are potential clients in a position to learn the skills needed to not only purchase a home but also to maintain it and make payments over time? Is the typical monthly mortgage payment for a home in your community within the range of your target population's incomes? Is there a reasonable supply of housing in the affordable range for your target population from which individuals can make a purchase?

TIP: Many clients see an IDA as a way to reach the American dream – to make a down payment on their own home. AFI Projects typically assess housing affordability by looking at the "community context" to make sure an IDA is a practical tool for reaching the homeownership goal. In some high-cost housing areas, AFI Projects have found that housing, as least in the local market, was beyond the reach of prospective participants. In these markets, AFI Projects may encourage clients to change their asset goal of home ownership to higher education or micro-enterprise. Getting a better education can lead to a better job. Building assets through a business can be a bigger step toward future financial security, including a home purchase down the road. "We talk about moving up in careers to get more stability, more benefits, to enable you to be more independent," says one AFI grantee.

However, keep in mind, homeownership may still be an option even in the most expensive markets. AFI Projects have been able to assist some clients with purchasing their own homes, even in areas such as New York City, largely by helping clients "layer" other homeownership resources (e.g., home rehabilitation programs, special low-interest mortgage loans) on top of the IDA funding.

Small Business

Are there reasonable opportunities for a microenterprise to thrive in your community? Are there complementary support programs to help people succeed as small business owners? Are there flexible loan products for micro-entrepreneurs accessible to your target population?

Education

Is there a diversity of two- and four-year degree programs as well as vocational training programs in your community for your target population? What portion of the total cost of these programs will the savings and match from the IDA cover? Will these students be able to access other loans and grants to pay for the rest of the program?

B.   Goals/Objectives

Once you've researched and analyzed needs in your community, step back and ask: If we start an AFI Project, what do we hope to accomplish? You can put those thoughts into action when you map out your AFI Project—in the form of goals and objectives.

Throughout this process, keep in mind that you may have only "rough draft" thoughts at this stage. That's okay. As you get further into the details of designing your AFI Project, you will see the issues and options more clearly. You may even change your goals and objectives at the very end (when you put your budget together, for example). That's because the additional thinking and planning—and realities of doing this work—affect your project plan.

The goals of your project are broad and visionary ideas about what you want to accomplish. You should develop one or two goals for your project. Consider the following questions as you think about goals—and keep the AFI goals in mind as you craft your own:

- What are the goals of the Assets for Independence Program?
- What is your agency's mission?
- Based on your assessment of your Project's target population, what needs in the community could your Project address?

Once you have identified one or two goals, you can determine how you will go about achieving them. In other words, take your vision (goals) and get more specific on how you will address them (objectives). Objectives are specific, measurable, and time-oriented target statements that describe the goal(s) of your AFI Project. Consider the following when putting objectives together:

- How will the activities you conduct (e.g., provide financial literacy training, open IDAs) affect your target population?
- Will there be variations in effects over the course of the project?
- What are some ways you can measure these changes in your clients?
- Are your objectives linked to your goal(s)?

(Your workplan, discussed below, is how you will implement these objectives, but more on that later.)

TIP: When you write your AFI application for funding, you will need to outline the "results or benefits" you expect of your Project. You will want to describe these as measurable and specific items, with short- and long-term time frames. In evaluation language, these measures are called outputs and outcomes. The purpose of identifying these measures is to keep projects focused on performance and results so that government resources are used wisely. Learn more about these types of measures in the Evaluation section of the guidebook.

C.   Training and Support for Project Participants

OCS encourages AFI Projects to include training sessions and other support services to facilitate the savings and asset-purchase process for participants. Your organization can be creative in delivering services directed toward the needs of your target population.

Training varies among current AFI Projects. Some provide these services in-house or through partners. Some use only external training sources. Many grantees raise the quality of their training by using existing programs or bringing in experts at critical times.

> *"The [financial] education is ultimately what they take with them."*
> —A representative of a statewide AFI Project Network

Training sessions may be in class, online, or through self-guided materials. Topics, too, vary widely. Most training programs are designed to encourage active participation, using adult learning techniques and culturally relevant exercises to further engage the attendees.

TIP: Some Training Thoughts

Here are some thoughts when designing your AFI Project training:

- Use training to help determine if enrollees are ready to open an IDA or whether it would be better to wait until their financial situation improves.

- Take ample time to train. Clients need to practice what they learn.

- Build a relationship with clients. Trust and communication can help them stay engaged and meet their goals.

- Consider whether you want to require clients to complete training before opening up a savings account. However, some AFI Projects feel the need to get the IDA account going right away to keep clients engaged in training.

- Training alone might not be enough for some participants. Clients often need a lot of preparation and one-on-one case management. However, some participants need <u>less</u> training.

Financial and Asset-Specific Training

Financial and asset-specific training varies among AFI Projects.

- Financial education workshops cover basic money management skills and information like teaching clients how to negotiate with a bank to get services (and even low or no fees) to better meet their needs.

- Asset-specific training programs provide information and tools that help facilitate a successful purchase. Such training can also help clients after they have obtained their asset, like home buyer training that provides insight on how to maintain the home and make timely mortgage payments.

- Usually, financial education occurs earlier—right before or after enrolling in the program or opening an IDA. Asset training occurs a bit later or much later in the program, depending on readiness and training needs.

TIP: Nonprofit organizations have access to diverse, comprehensive, and free financial training curricula. A comprehensive list of these resources is in Appendix A.

Many current projects coordinate with partner organizations that specialize in financial education. They arrange for the partners to provide the training. Examples include bringing in a housing specialist or mortgage lender for training on home ownership or a financial aid professional to talk about education financing. One AFI Project works "closely with job developers in two programs because they have a better idea of what's going on in the industry and what courses to take, where, and [how to] negotiate deals on training."

But make sure you are using the right outside trainers and keep your IDA staff involved. Why? Because some financial services experts may not be skilled in adult education. Don't underestimate the skills needed here because client success is tied closely to the quality of the economic literacy training you provide.

Case Management

In addition to the trainings, most AFI Projects also provide one-on-one counseling and case management services. In fact, some AFI grantees find that training is just the beginning of the longer term support the project provides for IDA participants—be it learning how to save to maintaining a home or small business over time. These additional services can help participants who are grappling with family, job, or social service challenges, and are also designed to help participants reach the financial milestones critical to an AFI Project.

When case management is needed, it can be critical to the success of clients who lack the skills to make an IDA work without ongoing support.   Here are a few examples of how some current AFI Projects provide case management services:

- One agency offers ongoing economic skills training, sends out statements to clients, convenes quarterly savers clubs, provides consumer credit counseling, and makes referrals regarding more in-depth needs.

- At another agency, the trainer does case management–type work when she goes through a stack of statements. If she sees a participant didn't make a deposit, she'll write a letter or make a call to say, "What's going on here?" According to an official of that agency, "We have a 90 percent retention rate… because she spends so much time."

- At a third agency, formal case management means making at least a monthly contact to help clients keep on track. Are they depositing consistently? What challenges are being faced? How can they be handled?

Some AFI Projects, however, advocate targeting participation by those who are truly ready and able to succeed with an IDA without requiring intensive case management.

D. Account Mechanics and Participant IDAs

AFI Projects must manage funds on multiple levels. Federal grant funds, and nonfederal dollars that match the Federal grant, must be administered correctly. Client or participant funds – that is, the IDAs – must be overseen in terms of what clients contribute, what the Project matches, and how the funds are deposited and withdrawn. These "account mechanics" have many rules that you must learn. For more discussion on elements to include in the design of your AFI Project financial structure, see Appendix D.

AFI Account Mechanics

Every AFI Project will involve at least two types of financial accounts: the Project Reserve Account and participants' Individual Development Accounts. These types of accounts are different from each other, but closely related.

- **_The Project Reserve Account_** holds the federal grant funds plus at least an equal amount of nonfederal funds that are committed to the AFI Project. This is illustrated in Figure 1. All funds—Federal and nonfederal—that are deposited into the Project Reserve Account are subject to OCS rules for the AFI program. AFI regulations impose important restrictions on this account. Not less than 85 percent must be available to match participant IDA savings. Of the remaining 15 percent, up to 13 percent may be used for administrative purposes and up to 2 percent for data collection and evaluation (see Figure 4: Uses of AFI Project Funds).

Figure 1: Project Reserve Account - An Example

Federal Grant $100,000

Non-Federal $100,000 (Cash only)

PROJECT RESERVE ACCOUNT _at insured financial institution_ $200,000

Additional $ and In-Kind Resources

Strengthening Families... Building Communities
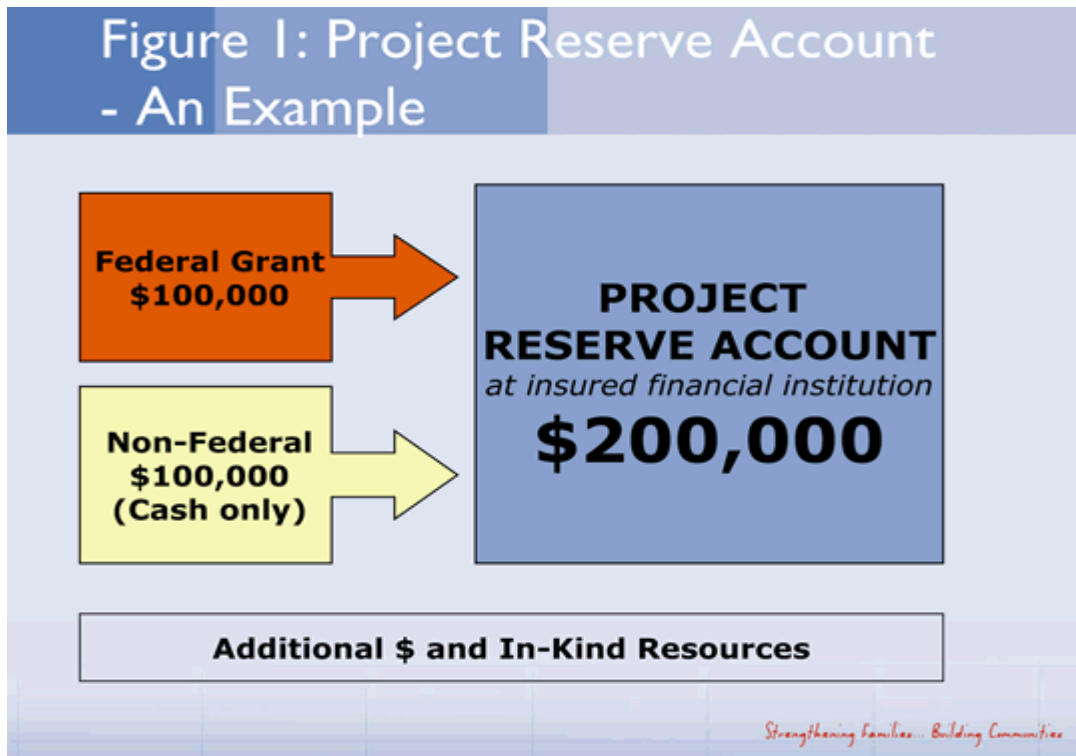
- *Project Participants' Individual Development Accounts* are either custodial or trust accounts established by the AFI Project organization. The IDAs must be maintained in one or more Federally-insured financial institutions (or, where a Federally-insured institution is not available, a State-insured institution). Participants make regular savings deposits into these accounts, and a portion of the Project Reserve Account is allocated for each participant deposit. This is illustrated in Figure 2.

Figure 2: Participant IDA ($1 to $2 match) – An Example

PROJECT RESERVE FUND

$200,000

($100,000 Federal, $100,000 Non-Federal)

$2,000 Federal

$2,000 Non-Fed

$2000 Participant Savings

$2000 Federal

$2000 Non-Federal

$6000 for Home Purchase

Strengthening Families... Building Communities
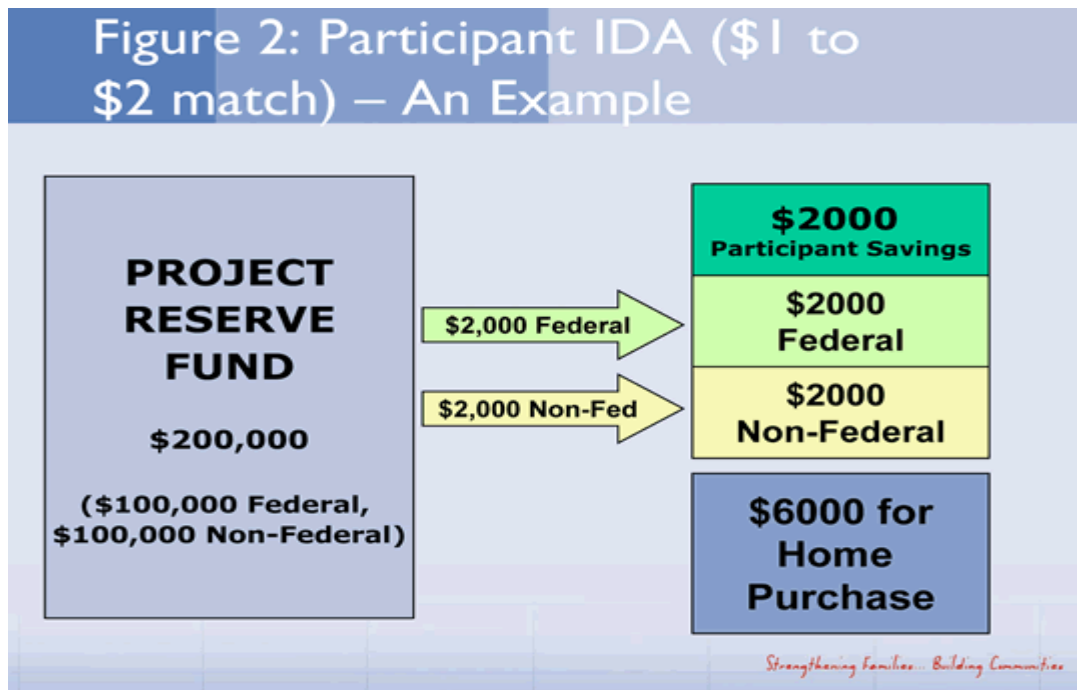
TIP: Only when nonfederal funds are deposited in the Reserve Account can the AFI Project access ("draw down") the Federal AFI grant funds. The AFI Project manager may request AFI Federal funds up to the amount of nonfederal funds deposited in the Reserve Account. Remember this when you discuss access to the nonfederal money with your nonfederal grant funders because some funders like to hold onto their funds.

Many AFI Project organizations maintain a third "account" or budget that holds funding in addition to the nonfederal resources that are deposited into the Project Reserve Account. Project agencies use this third budget to support various participant services and to augment the portion of the Project Reserve Account that is set aside for program administration, financial education, and other vital services (by law, AFI limits the amount used this way to only 15% of the Reserve Account). Quite simply, the 15% of the Reserve Account is often not sufficient for program needs. Therefore, many AFI Project administrators rely on additional resources. Figure 1 illustrates this arrangement—the Project maintains the Project Reserve Account supported by Federal and nonfederal resources, as well as a separate source of funds and in-kind resources that supplements the work of the Project, represented as an additional box underneath the Project Reserve Account. AFI Projects are usually not required to report uses of these funds to OCS.

Participant IDAs

While training and support help clients learn about managing finances and building assets, IDAs enable participants to set aside the savings needed to achieve a life goal. There are several basic steps your organization should take with clients to set up IDAs, including setting a target savings rate for clients, selecting a time frame for client savings, selecting a match rate (the amount the AFI Project contributes for each dollar a client saves), and monitoring withdrawals.

Target Savings Rate

Part of setting up your AFI Project IDAs is deciding on the parameters for client savings. Ordinarily there are two levels set on these accounts. First is the overall maximum amount a participant can save and have matched by the program. Second is a minimum and maximum amount of their income that the clients must contribute to their IDAs in periodic time intervals (e.g., monthly or quarterly). When determining these levels, consider the following questions:

- What is the maximum amount of savings your AFI Project will match?

- Will you require participants to save monthly, quarterly, or over some other period?

- What is the minimum that participants can deposit each period? What is the maximum?

- If participants do not save according to your organization's guidelines, what are the consequences?

- Over what time period should participants be allowed to save?

WHAT AFI SAYS: The AFI Program rules stipulate that participants must be enrolled in a project for at least six months before they may withdraw funds from their IDAs. If your organization's program is for "fast trackers" (participants who can and will be motivated to complete training and other requirements, save aggressively, and purchase their asset within 12 months), be prepared to accommodate this rule.

To set targeted savings rates for monthly deposits, first make a realistic assessment of what your target population can afford to save (after essential living expenses are covered). Keep in mind, the balance of the maximum savings amount and match rate should be in line with the real costs of an asset purchase in your community.

One tool to help you determine a realistic savings and match rate is the "IDA Asset Cost Due Diligence Worksheets" found in Appendix G. Also, Table 3.1 below outlines some things to consider in assessing the "correct" savings rate.

Table 3.1. Determining Savings Requirements and Match Rate

Asset Goal	Sources of Information	Key Factors to Consider
Homeownership	• Realtors • Real estate attorneys • Property appraisers • Home inspectors • Fannie Mae Foundation (Web site) • Affordable housing developers • Bankers and mortgage lenders • Nonprofit homeownership counseling and support programs • Neighborhood Reinvestment Corporation (Web site)	• Types of housing available for sale (single-family home, condominium, quality/age, etc.) • Average sales price on the different types of homes • Down-payment range for most mortgage products • Type and amount of other costs associated with home purchase • Cost of property taxes and homeowners' insurance • Average monthly mortgage payment based on average sales price and down payment • Other assistance that may be available to first time homebuyers
Microenterprise	• Small-business lenders • Local chambers of commerce • Association for Enterprise Opportunity (Web site) • U.S. Small Business Administration (Web site) • Nonprofit small-business counseling and training programs • Small-business support centers or business schools at local colleges • Local government offices supporting small business	• Average startup costs for establishing a business entity • Available resources to assist in writing a business plan • Average loan amounts for initial business loans • Average startup capital required for service, manufacturing, or retail businesses • Types of small-business ventures thriving in the community • Essential laws regulating small businesses in the community • Average costs for securing a storefront or other place of business • Other grant and loan programs available to support microentrepreneurs
Post Secondary Education and training	• Local community colleges • Universities and four-year colleges • Trade or vocational schools • Nonprofit programs offering counseling and assistance to return to school	• Two-year degree offerings • Four-year degree offerings • Postgraduate degree offerings • Professional or trade credentials available • Tuition by semester and for entire course of study • Typical fees associated with a course of study in addition to tuition • School supplies (books, computer) • Availability of other financial aid (grants and loans) offered by school and government programs

For more insights into other incentives and limitations used by AFI Projects to structure client savings, check out the information about savings plan agreements, including some samples, in Appendix E.

Time Frame for Client Savings

Though an AFI Project grant lasts five years, your organization should not lead participants to believe that they should be depositing new savings to their IDAs over the entire period. The reason? The law requires that all funds be drawn down and expended by the end of the five-year period. If not, the funds *must be returned to the Federal government.* This means that if your organization has a participant who has finished saving at the end of five years, but has not yet purchased his or her asset. They will forfeit the Federal portion of the match funds.

Years of experience with AFI Projects indicate that participants need at least six months to prepare for asset purchase *after* they have completed their savings (this is especially true of homebuyers and micro-entrepreneurs). Thus, the clients should complete their savings by the end of the fourth year of the project, allowing for the entire fifth year to be dedicated to asset purchase.

Match Rate—A Special Kind of Alchemy

The other part of setting up an IDA is deciding how your project will match savings that clients put into their IDAs. The purpose of providing matching funds, besides being an incentive, is to provide sufficient cash resources to make asset purchase a reality for low-income participants. The match rate will enable your Project participants to obtain, for example, the down-payment and closing costs for buying a home. Programs vary in their match rates: most are $2 to $1 while a smaller number are $3 to $1 or even $1 to $1.

WHAT AFI SAYS: AFI limits the amount of Federal funds from one AFI Project that may be allocated to each client's account: $2,000 for an individual and $4,000 per household (where multiple household members hold IDAs).

Remember: It is important to set the participant's saving rate at a realistic level so that, when combined with the match, they can purchase their planned asset at the end of the savings period. The *minimum* savings target is used here to ensure that participants have the maximum opportunity to earn the full match allowed under the program. One of the most exasperating results possible for an IDA: A participant works hard, saves regularly, and earns match funds, yet finds that he or she does not have the funds to cover the real costs of this asset in the community. If this happens, the IDA really is too good to be true.

TIP: In New York City, a family seeking to buy a home requires at least $12,000 for down payment and closing costs—even in the most affordable neighborhoods. Offering a savings and match rate to meet this amount may strain an organization's fundraising ability. Or, it may require a savings target that is impossible for participants to meet. Consequently, AFI Projects in New York identify other sources of subsidy and support (e.g., home assistance programs) that are available for their target population and then work with the organizations sponsoring these sources of support to offer additional subsidies to AFI Project participants. The key is that the program includes information and access to these additional funds, thereby ensuring a sufficient chance of success for the participant.

Participant Withdrawals

Participant withdrawals are allowed under AFI for two reasons: 1) asset purchases and 2) emergency needs that arise while in the project. According to AFI law, participants must save for at least six months following the date of account opening before making a withdrawal.

Withdrawals for Asset Purchase. Preparing withdrawals for asset purchase is one of the most exciting and anxiety-producing endeavors for both AFI Project staff and participants. It represents the culmination of months or years of hard work on the part of the participant and ongoing encouragement and attention from staff. Everyone wants the purchase to succeed, but that requires ensuring the participant is properly prepared and has had all of his or her questions answered. Further, much of the paperwork and final approvals must be done within a tight time frame to meet the expectations of the vendors receiving the payment (such as the lender, the realtor, the mortgage company, or the university's registration office).

Ensuring that everyone knows the basic guidelines for what constitutes an eligible purchase is critical to keeping this exciting time more fun than stressful.

Table 3.2 shows the definitions for an eligible purchase.

Table 3.2. Defining the Asset Goal		
Asset Goal	**How Is This Goal Defined?**	**What Costs Can Be Paid by the IDA?**
Homeownership	• First-time homebuyer only (defined as having had no ownership in a home for three years before entering a sales contract on an AFI-qualified home). • The home being purchased must be the participant's main residence. • The sales price of the house should not exceed 120% of the average price for a home in that area.	• Down payment • Settlement fees • Loan fees • Inspection fees • Other closing costs • Reconstruction of the newly purchased home
Microenterprise	• The business should be legally established and not in violation of any law or public policy. • The owner must have a business plan that has been reviewed and approved by a financial institution, microenterprise development organization, or nonprofit loan fund.	Expenditures indicated in the Qualified Business Plan such as • Capital • Plant • Equipment • Working capital • Inventory • Licenses
Postsecondary education or training	• Expenses are paid to an eligible educational institution. • The institution is either a college/university or a vocational school as defined by the Higher Education Act or by the Carl D. Perkins Vocational and Applied Technology Education Act.	• Course fees • Books and supplies • Test fees • Costs of courses for preparations for professional licensing examinations • Special equipment, including a computer and software • Tuition and fees (associated with enrollment or attendance at the school)

An AFI Project participant may also transfer his or her funds into an IDA of another family member, such as a spouse or a child (namely one the participant claims on his or her taxes). This new IDA holder would then be eligible to use these funds for any of the three qualified asset goals listed above.

Withdrawals for Emergency Purposes. There are only three circumstances where participants may withdraw IDA savings for non-asset purchase. These are when the funds are needed: 1) for medical expenses, 2) to pay rent or mortgage to prevent eviction or foreclosure, or 3) to pay for vital living expenses (e.g., food, clothing, shelter, utilities, heat) following a job loss. A participant may withdraw funds for these expenses if they are incurred for the participant, a spouse, or a dependent, but they may only withdraw amounts they have deposited. They may not withdraw the matching funds.

> **TIP:** Many AFI Projects provide access to other types of emergency fund programs (such as one-time emergency rent payment programs) to support participants during crises, relieving the pressure to make emergency withdrawals and enhancing the likelihood of success in the AFI Project.

After an emergency withdrawal has been made, AFI requires that the participant reimburse her or his account for the full amount of funds withdrawn within 12 months. If the participant does not replenish these funds as required, they may not continue in the project. Any remaining IDA savings are to be returned to the participant, and all matching funds allocated for that participant are to be returned to the Reserve Account for use by another account holder.

E. Marketing and Recruitment

The first step you took in planning your AFI Project—defining your target population—helped identify the clients you will likely serve. Actually getting these people involved in your AFI Project, however, requires outreach to recruit participants. Some Projects tap into their current client base.

An important additional target group is the clients of other agencies with eligible clientele. Examples include Head Start, Community Action Agencies, Workforce Investment Boards, faith-based organizations, Small Business Administration one-stop centers, community colleges, and public housing agencies. Talk to other providers and give them a supply of your program brochures. Speak at their meetings to educate their staff. And, of course, learn about what other groups are out there for you to link to. Cross-referrals are good for your IDA effort but also for the work other agencies do in serving needy clients.

One of the initial reactions potential participants have when they first hear about IDAs is, "This sounds too good to be true." That reaction is cited as a major hurdle to marketing a new IDA program in a community. Organizations that have a track record of success and trustworthiness working with their target population find it easier to attract participants and maintain strong relationships with their clients throughout the course of the project.

Many project administrators have found that the initial time required to do the marketing, attract attendees to orientation sessions, and actually enroll participants is longer than they anticipated. Projects have found that marketing the program to participants takes time and flexibility. Several current AFI Projects recommend that new projects limit the target market to individuals and families already intimately familiar with your organization or rely on community presentations, word of mouth, and referrals for marketing rather than mass distribution of brochures and flyers. For strategies on marketing and recruitment (and retention!), see Appendix F.

F.   Organizational Capacity

Your organization's goals and objectives for the AFI Project are in place. You have set the savings rates, the marketing plan, and the training schedule. But can you do all this work? Surely, you've been thinking about this as you put this workplan together, including assessing your agency's skills and the other partnerships needed to garner additional expertise. Regardless, step back and take a look at your agency's capacity and that of your partners.

The organizational capacity needed for an AFI Project varies—by program size and services components. Typical indicators of likelihood of success are a high level of organizational experience with other asset-building programs, a strong commitment on the part of leadership and program staff, and an appropriate staffing configuration.

TIP: An agency's capacity to provide services to its AFI Project clients includes connections with other agencies. That's because clients are often referred outside the agency for training and other asset-building services, such as counseling and assistance with their Earned Income Tax Credit (EITC). What makes these connections work varies, but considering current partners and then laying plans to build new partnerships is a critical part of determining and enhancing your organization's capacity to manage an affective AFI Project. For more information on partnerships and networks, see Sections 3G and 3H.

Asset-Building Experience

Many AFI Projects start their IDA programs as a means for enhancing other asset-building services they offer. Homeownership or microenterprise training and counseling programs offer IDAs as a natural complement to existing in-house skills and services. Agencies that offer such services are often familiar with some of the complexities of IDA programs. Organizations with expertise in financial education, credit counseling, or linking families with low incomes to needed financial services typically have in-house resources and knowledge which help them successfully manage an AFI Project.

Organizational Commitment

The commitment to manage an AFI Project must be shared by executive leadership and program staff alike. You will need a motivated staff over the entire five-year project period. Because of the unique and complex elements of an AFI Project, the active involvement of the organization's board of directors, executive director, and staff is critical. In addition, individuals throughout the organization need a high level of commitment to the population they are serving. Projects are more likely to be effective if staff and leadership are fully committed to their clients and obtain their trust.

Staffing

As the diversity of the IDA field grows, so does the number of staffing configurations. Staffing needs will also vary by the age and development of the project (e.g., startup, ongoing). Executive and senior level staff may be more actively engaged during the stages of design and initial implementation, as your organization establishes policies and budgets, begins fundraising, develops partners, and creates program goals and objectives for the project. Once operation is in full swing, ongoing management and coordination of administration efforts increase to accommodate data management, participant support, marketing and recruitment, and the managing of training and counseling sessions. As the project matures and participants reach their savings goals, administration concentrates on achieving project goals and objectives such as successful asset purchases. You may also need new management decisions at this stage to ensure timely project completion.

The pressures of fundraising lead many AFI Project administrators to seek creative, cost-effective staff resources without diminishing the quality of the project's impact. In developing an effective staffing plan for your own project, consider all of the typical responsibilities for this type of effort (see Table 3.3).

Table 3.3. Typical Work Responsibilities in an AFI Project		
Management	**Operation/Coordination**	**Administration**
• Establishing partnerships • Overall program design • Setting program policy • Fundraising nonfederal cash contribution • Setting budgets • Developing account standards • Public relations • Staff supervision • Program oversight • Annual financial and program progress reports for OCS	• Marketing development and implementation • Recruitment and enrollment • Account management (Reserve Account and participants' savings and match accumulation progress) • Case management • Financial and asset education • Tracking progress on achieving milestones • Communication with participants and applicants • Data management • Data reporting for the national evaluation	• Application and screening documentation • Data entry • Photocopying and faxing • Mailings • Logistics for trainings and workshops • Assistance with marketing and recruitment • Correspondence

TIP: See Appendix I for a sample job description for an AFI Project Manager position.

AFI Project experiences suggest that there are certain things you should consider when mapping out your staffing plan:

- **Part-Time Staff Is Common.** Staff typically do not work full-time on AFI Project responsibilities. Rather, they work on other agency projects as well—though this work typically complements IDA work, such as training and client liaison. Of course, having part-time AFI staff means having to use several funding sources to cover their full salary and benefits.

- **Multiple Staff are Involved.** Many projects use multiple staff who devote part of their time to AFI duties. Key tasks include administrative work (e.g., data, reporting), client support (training, case management), and program management (fundraising, oversight of activities).

- **Support for Clients Means Case Management.** This is the day-to-day work with clients such as counseling, referrals, and follow-up reminder calls. This can be very time consuming.

- **Data Entry and Reporting Take Time, Too.** Some projects have "back room" staff (volunteers, administrative assistants) to do data entry, which frees up "frontline" staff for case management and training. Make sure your data entry staff know about reporting requirements so that when it comes time to generate reports, they know what is required and can give you what you need.

  OCS has developed the Assets for Independence Information System (AFI^2) to help AFI Projects maintain data. AFI^2 is a web-based, user friendly, and secure online system to manage AFI IDA data. The system is a central repository for AFI Projects. AFI^2 is a single point of entry in that it allows for data input from OCS, AFI grantees, and AFI sub-grantees. This improves the accuracy of data and analytical reports to better support analysis and decision making. To learn more, go to the OCS Asset Building Web site at http://www.acf.hhs.gov/assetbuilding.

TIP: Keep in mind that data collection and management of your AFI Project can be staff time intensive. Plan accordingly. Not only do AFI Projects have to monitor IDA savings and other financial data, but they also must periodically provide data reports to OCS. (See Section 3J "Evaluation" for more information about data requirements.)

- **Fundraising, Fundraising, Fundraising.** In most cases, searching for the nonfederal cost share and additional supporting funds is a perpetual job and takes staff time to carry out. You may find that it is the duty of the AFI Project Program Manager or even the executive staff.

- **Keep Your Antenna Up for Volunteers.** Some agencies use volunteers to take on tasks such as entering data, handling mailings, writing newsletters, coordinating financial education meetings, handling intake and review of client bank statements, sending out notices to clients about upcoming meetings, and making follow-up phone calls with clients. One excellent source of full time volunteers is the Federal Americorps* VISTA program.

- **You'll Need to Get Around.** Keep in mind geography is a big challenge for AFI grantees that cover wide areas, particularly rural sites that require staff to do a lot of driving to recruit clients, provide training, and liaise with partner agencies.

G. Partnerships

AFI Projects offer a blend of services, incentives, and opportunities for needy families to improve their lives in lasting ways. The mix of financial services, client case management, asset purchase support, financial training, and account and data management requires expertise seldom found in one organization. This intrinsic diversity has inspired AFI Projects to develop working relationships with other organizations that already provide services in the target communities – for example, with groups that are providing home ownership training or counseling or financial literacy classes. There are many possible approaches to structuring organizational responsibilities across partnering organizations. Gather together potential partners to help determine the right structure for your Project.

Exploring Partnerships

In the IDA world, partnership refers to an arrangement made between an organization sponsoring an AFI Project and another organization that offers a specific service to prospective account holders (such as microenterprise training and counseling) but has no responsibility or role in the operation of the AFI Project itself. These partnerships often are solidified by signed agreements (often called Memoranda of Understanding or MOUs). They sometimes include financial or in-kind compensation offered to the partner organization by the AFI Project sponsor. Such partnerships are ideal for organizations with the capacity to run most components of the IDA program but which lack staff with expertise in some key areas such as financial education or asset-specific training. When developing partnerships, consider whether the potential partners are trusted by the target community to ensure that your clients will able to work with them effectively.

TIP: Possible partner organizations to include in your AFI Project

- Community Action Agencies
- Community Development Corporations
- Employers
- Financial institutions such as banks, credit unions, and community development financial institutions
- Faith-based organizations
- Housing authorities
- TANF agencies
- Other State and local government and Tribal government agencies
- United Way of America affiliates
- National Urban League affiliates
- Philanthropic foundations including community foundations
- Schools and community colleges
- Organizations that provide services to low-income Native American communities
- Workforce Investment Boards
- Small businesses
- Credit counseling agencies
- Marriage-strengthening coalitions
- Other nonprofits or for-profit entities
- Small Business Administration One-Stop Centers

The creation and ongoing management of these partnerships require time and attention from AFI Project staff. AFI Projects are encouraged to draw up a formal partnership agreement to delineate roles and responsibilities between partners, as well as guidelines for ending the partnership in the event it proves ineffective.

The Financial Institution: AFI's Most Important Partner

Financial institutions can provide nonfederal funding for AFI Projects as well as host Reserve Accounts, hold participant IDA savings accounts, and provide other services. Thus, they are fundamental partners for an AFI Project. In fact, in some cases, the organization serving as project administrator is also a financial institution. Types of partnerships with financial institutions vary widely among projects. Some institutions are intimately involved, offering lots of financial and in-kind support. Others simply offer the basic services and have no further involvement. AFI Projects are very appealing to a financial institution. When presented to the right organization, a rewarding partnership can take hold.

> **TIP:** For those in the earliest stage of program design, begin looking for a financial institution partner right away. A signed financial institution partner agreement, or at least a letter of commitment from a financial institution, is essential to project startup. Either document would detail what the institution is offering to support your IDA project.

Finding a Financial Institution Partner

Successful AFI Projects have grown out of a host of arrangements with financial institution partners. Some programs develop partnerships with community development credit unions. Some work with major commercial banks. Other programs operate with multiple partnerships to cover a wide program area, while still others develop a strong relationship with one financial institution.

Most organizations begin their search for a financial institution partner by considering those institutions with which they already have relationships, such as the ones where the agency conducts its banking business. Others review which banks or credit unions already serve their target population. They then offer the asset-building services and the IDA as a way for the institution to do community work, enhance their appeal to an existing part of their market, and/or open up new markets with new clients. Banks with national or regional reach are increasingly partners for AFI Projects; they standardize products and services associated with the program, making participation more cost-efficient. Projects can also explore the Community Reinvestment Act (CRA) ratings of banks, which indicate their commitment to community investment. Some banks may offer better services and products to AFI clients.

For ideas on how to market your AFI Project to potential financial institution partners, see Appendix J.

Once you have found an ideal partnership candidate, made your presentation, secured their interest, and begun the negotiations, it is best to seal the deal by developing a partnership agreement. See Appendix K for information about financial institution partner agreements.

TIP: Who Does What?*

What a Financial Institution Can Do

- Set up interest-bearing custodial or trust savings accounts for IDA participants (hopefully, with no monthly fees and no minimum balance).

- Establish the Reserve Account to hold both the nonfederal cash contribution and Federal funds in the name of the sponsoring organization.

- Provide monthly (or quarterly) account statements to participants.

- Provide monthly (or quarterly) account activity information to the sponsoring organization, on paper and/or electronically.

- Offer other banking services to participants (checking accounts, mortgages, loans, other savings, or investment accounts). Some may provide fee-free banking but some won't, so look around for the best deal.

- Assist in financial education.

- Enhance visibility of program.

- Contribute nonfederal cash support for the AFI Project.

What a Program Must Do

- Direct participants to a designated financial institution or institutions.

- Send participants monthly or quarterly statements that reflect their savings activity and earned matching funds.

- Monitor participants' monthly account activity (deposits and withdrawals).

- Track monthly account activity (ideally with a management information system).

- Develop a withdrawal procedure for matching funds.

- Calculate and account for matching funds earned, based on participant savings (as well as the interest earned on the match).

- Provide individualized counseling to participants as needed.

- Facilitate financial education.

*This is adapted from: Tim Flacke, Brian Grossman, Colleen Dailey, and Stephanie Jennings. *The Individual Development Account Program Design Handbook: A Step-by-Step Guide to Designing an IDA Program (Fourth Edition).* Corporation for Enterprise Development, 1999.

H.   Networks or Collaboratives

In contrast to a partnership model, an AFI Project Network or collaborative is an arrangement where multiple diverse organizations share the critical responsibilities – and workload – of operating an AFI Project in an effort to offer a large number of accounts, to maximize cost-efficiency, and to capitalize on organizations' different expertise. Network arrangements enable the participating organizations to develop and use a common basic infrastructure such as recruitment and training tools, reporting procedures, IDA account monitoring processes, procedures for tracking performance goals and targets, training curricula, and so forth. Often networks allocate responsibility for key activities such as fundraising, program management, financial education, and evaluation to one or two organizations, to enable the others to focus more fully on providing direct services to project participants.

> **TIP:** See the "IDA Collaboratives Toolkit". Developed by Assets for All Alliance, an AFI grantee, it includes techniques for developing IDA Networks. See the Center for Venture Philanthropy Web site at http://www.pcf.org/venture_philanthropy/afaa.html

AFI Project Networks require more time to establish than do programs designed and delivered by one agency or a group of partnering organizations. Do not underestimate the time it takes to build firm relationships and identify the right partners. As with partnerships, once organizations agree to work together, they should write formal agreements to delineate roles and responsibilities among agencies.

Table 3.4 suggests some typical roles and activities for various organizations in a network project. It also offers some benefits to this model.

Table 3.4. How AFI Project Networks Operate

Network Role	Key Responsibilities	Benefits
Network administrator	Fundraising Data management (MIS) Program standards Quality management Account management Overall coordination of structure	Centralized account and data management reduces cost of reproducing this at each site and also keeps responsibility in hands of organization with expertise.
AFI Project sponsor (there usually are many of these in the network)	Fundraising Data collection Case management Marketing and recruitment Enrollment and account opening Financial and asset-specific training Other support services	Program sponsor organizations can better address fulfilling their mission—delivering services to a community to create an impact—instead of dedicating many resources to program administration.
Financial institutions [a]	Provides accounts Collects account data	Financial institutions provide their expertise in financial products and can still offer additional services.
Other partners (often organizations in the community)	Provide referrals for candidates Marketing and outreach support Financial or asset-specific training Other support services	These organizations offer a service they routinely provide to IDA participants as part of the program. These organizations are partners to the project rather than full network members.

[a] Sometimes the institution works directly and exclusively with the AFI Project Network administrator and sometimes with each program sponsor directly.

For more information on innovations, challenges, and pitfalls in network design, refer to the "Building IDA Network Projects" section of Appendix A. Get started on the recommended planning process right away.

> **TIP:** OCS is interested in supporting more AFI Projects that feature network structures. A network should submit an AFI application under a lead agency (usually the network administrator or the organization responsible for account management) and provide information about each network member throughout the application. It is a good idea to include signed memoranda of agreement for each network member you list in the application.

I.   Implementation Plan

After designing your organization's AFI Project, it is time to provide an overview of how the program will be implemented over the five year project period – your implementation plan. In an AFI application, this is called your "Approach."

A plan is typically a narrative that describes how you will implement the project, along with tools to help the project keep track of activities and timelines. One way to express the main activities in your plan—for project management purposes and for inclusion in your AFI application—is by using a Gantt chart. Gantt charts are helpful for summarizing activities that can be represented by numeric quantities or other forms of abbreviation on a clear timeline. In a Gantt chart, time is represented horizontally, the activities vertically. In AFI Project Gantt charts, time should be represented in quarterly portions over the entire five-year period of the project. See the Gantt chart below in Figure 3 or on the Asset Building Web site (look for the Project Builder under "Apply for Funding") at http://www.acf.hhs.gov/assetbuilding. Below are some typical activities you may want to include in your work plan.

Marketing Activities

Marketing activities are often expressed in numbers and categories, such as the number of community presentations per quarter, number of individuals reached through one-on-one interactions (e.g., phone calls, walk-ins), and so forth.

Recruitment Projections

Recruitment projections typically are expressed as the ideal number of potential participants to be identified each quarter. Remember the funnel principle of marketing: you likely will need to recruit more participants than the number of accounts you target for that quarter because some people will not apply and some will drop out.

Account Opening Projections

IDA opening projections are similar to recruitment in that they usually are expressed as a number of accounts targeted in a given time period. The number of open IDAs projected to be in "open" status should reach zero by the fourth quarter or final month of the Project's fifth year, since all funds must be expended and all accounts closed at the end of the fifth year.

TIP: One very important AFI rule is that AFI Project staff may open IDAs for participants only if the full amount of potential matching funds for those accounts are available in the Reserve Account at the time. An AFI Project, for example, with only half of the matching funds in the Reserve Account may open only half of its projected IDAs. As the remaining funds are deposited in the Reserve, the remaining accounts can be opened. The rule is designed to avoid the devastating situation where an AFI participant works hard to save and prepare for asset purchase only to learn there are no matching funds available.

Figure 3: Gantt Chart

	YEARS 1-5 Repeat for each year			
	Q.1	Q.2	Q.3	Q.4
Outreach				
Presentations (by # given)				
Ads, flyers (# distribution outlets)				
Pre-screening/Intake				
# referrals				
# inquiries				
Enrollment				
# accounts open: HO				
# accounts open: EDUC				
# accounts open: SM BUS				
Total accounts per quarter				
Funds into Reserve				
Fed/Nonfed deposits (in 1000s)				
Accumulation				
Aggregate savings of accounts				
Aggregate match of accounts				
Total savings and match				
Completions/Expense Payments				
Homeownership (complete)*				
*Education**(1st, part, complete)*				
*Small Business***(1st, part, complete)*				
Training				
$ Management (# hours)				
Topic Workshops (# sessions)				
Asset-specific (# attendees)				
Counseling				
One-on-one sessions with IDA				
Program staff				
Reporting				
Financial				
Program Progress				
Data for Evaluation				

Key:
* Homeownership withdrawals are categorized as complete withdrawals because they are typically one time payments in full.
** Education withdrawals may be categorized as first time, partial (not first time but still saving), or complete (final withdrawal).
*** Small Business withdrawals may be categorized as first time, partial (not first time but still saving), or complete (final withdrawal).

Anticipated Savings Amounts

Most AFI Projects represent anticipated savings rates as an average savings per month or quarter and show the amount on the chart as an aggregate sum—representing the total amount of savings for all accounts opened during that period. (Average savings per month is a key concept because not all clients will save every month. AFI hopes to create regular savings habits and this skill may take time to develop.)

Account Attrition

Attrition refers to accounts closed for reasons other than successful asset purchase. For example, the participant may have chosen to leave the program or the program staff may ask the participant to close the account due to noncompliance with the program's guidelines. Account closings are common in IDA programs. Therefore, many projects make projections of account closings and have a strategy for adding new participants and opening new IDAs that replace the closed accounts.

Successful Asset Purchases

For most AFI Projects, there is a startup period when the Project is marketed to potential participants, clients are enrolled, and so forth. After 6 to 18 months, most Projects have some participants who have, in that time, completed their savings and other requirements and are ready for asset purchase. This can be expressed in the Gantt chart by asset-purchase category (e.g., homeownership, education, small business capitalization). Many AFI Projects plan for an average number of successful purchases per quarter after two or more years of program activity. These purchases will likely occur up to the end of the fifth year of the program.

Training and Counseling Services

Training and support services are challenging to represent on a Gantt chart because they are not always easily quantifiable. Programs have expressed these activities by projected number of workshops or counseling sessions per quarter or by the number of participants they expect to serve in these workshops or sessions per quarter.

WHAT AFI SAYS: In addition to providing training and counseling, the AFI funding announcement may indicate additional preferences for programs that offer support for strengthening marriages and families for AFI participants. For some programs, this is accomplished through the delivery of financial training, using a curriculum designed for working with married couples or families. Other programs consist of additional counseling or workshops on broader issues of marriage support or life-skills training related to developing healthy families.

Deposits Into the Reserve Account

Programs can show their expected cash flow into the Reserve Account over the five years of the program. Many programs have nonfederal match sources with stipulations regarding when the funds will be available to them for deposit into the Reserve. A foundation may commit $200,000 to the program, for example, and provide those funds in two payments of $100,000 over two fiscal years. The Federal match for these funds, therefore, can be accessed after these nonfederal funds are placed in the Reserve Account.

J.   Evaluation and Program Quality

As a Federal demonstration program, AFI focuses on learning what works in asset building so that promising practices can be replicated. In addition to giving grants to organizations willing to implement AFI Projects, AFI supports a national evaluation to study the long-term effects of AFI Projects on participants and to determine the extent to which asset-building strategies in general and IDAs in particular are useful for addressing poverty. AFI also encourages each program to use its own evaluation and quality improvement mechanisms to help improve their programs.

The National Evaluation

Each AFI Project must collect data for the national evaluation by providing annual data reports to OCS, usually from the AFI[2] System. Some Projects may also be asked to coordinate a day-long site visit from OCS researchers and to identify Project participants who will fill-out surveys for evaluation purposes. AFI Projects are required to set aside a small portion of their Reserve Account to pay for activities related to the national program evaluation. This money is to cover expenses such as staff time for entering data or completing required reports, to pay for AFI Project staff time in working with the national evaluator, or to work with participants who take part in the national evaluation.

Project-Level Evaluation and Overall Program Management

In addition to the national evaluation, AFI encourages Projects to use evaluation techniques and to build data collection and analysis into their program design. Project-level evaluation and program management or quality control activities help Projects track progress in achieving their goals and objectives and determine when to consider changes in program design or delivery.

At its most basic level, evaluation looks at effort (what you did) and effect (what happened as a result of that effort). Evaluation information may be used to keep track of Project activities, to find out the effect of the Project on clients, to make sure high quality services are delivered, to identify areas for needed change, and to identify models for service delivery.

Outputs and Outcomes

Two important evaluation measures are outputs and outcomes.

- *Outputs* refer to quantifiable activities. They measure your program's efforts and activities. Output measures represent the goods and services a Project produces in the course of implementing their AFI Project.

- *Outcomes* are changes that your Project participants, or clients, experience as a result of their participation in the AFI Project. Outcomes, ideally, are also what happen when the needs of your target population are met. They are ways your program will enhance your IDA holders' strengths and provide them with resources for lasting change. Outcomes are often expressed in time frames (short-, medium-, and long-term increments) and are related to changes in behavior, knowledge, skills, attitude, values, or condition of participants and/or AFI agency (see Table 3.5).

Table 3.5. Elements of AFI Project Outcomes		
People	**Areas for Change**	**Time Range**
• Individual participants • Participants' families • Participants' communities • Agency	• Knowledge and skills • Behavior • Attitude • Values • Asset development • Self sufficiency	• Short term • Medium term • Long term

AFI encourages projects to develop outputs and outcomes specific to their AFI work. Because outputs and outcomes must be measurable, Projects must also identify how they will collect the necessary data for the outcomes and outputs.

TIP: A good data management system is fundamental to an effective evaluation process. Not only are data collection and reporting critical to any AFI Project's success, but they also provide the central collection point and tracking guidance for all data needs of the program. OCS has developed the Assets for Independence Information System (AFI^2) to help AFI Projects maintain data. AFI^2 is a web-based, user friendly, and secure online system to manage AFI IDA data. The system is a central repository for AFI Projects. AFI^2 is a single point of entry in that it allows for data input from OCS, AFI grantees, and AFI sub-grantees. This improves the accuracy of data and analytical reports to better support analysis and decision making. To learn more, go to the OCS Asset Building Web site at http://www.acf.hhs.gov/assetbuilding.

Typical outcomes of AFI Projects might include increased percentage of participants who are homeowners, increased percentage of participants who acquire secondary education, and increased percentage of participants who create or expand small businesses. The specific

outputs associated with these outcomes, therefore, might be the number enrolled, the number who are working toward the outcome of purchasing each asset, and the number of asset-specific counseling sessions, which facilitate the outcome of successful asset purchase.

AFI Projects can formulate outputs and outcomes for their agency as well as for the AFI participants. Agency outcomes might include leadership enhancement or better relations with the community.

TIP: For more information on outcomes, outputs, and ways to develop these, check out the resources on outcome evaluations developed by the United Way of America at its Web site, http://national.unitedway.org/outcomes/. Additional information on outcomes evaluation can be found at http://www.mapfornonprofits.org/, sponsored by Management Assistance Programs for Nonprofits. Finally, another important performance management framework, used by the Community Action Agency network, is Results Oriented Management and Accountability, or ROMA. To learn more about this Federal initiative, see http://www.roma1.org/.

Quality Improvement

Aside from evaluation measures such as outputs and outcomes, many projects routinely use other quality improvement tools to assess the effectiveness of their program. Projects use these tools to solicit input from participants or partners to ensure that the communication, services, training, and other program components are meeting participants' needs. If they are not, then the Project can make adjustments to improve the program.

Projects may gather quality improvement information through surveys, interviews, and focus groups. Some projects administer surveys at the end of training or other workshop sessions, upon program entrance and exit, and/or after six months or longer in the program. Along with using this data to make project improvements, innovative projects also can use the information for fundraising and marketing. For example, this information can be used to develop testimonials that can be used in a press release or program brochure.

K.   Funding and Budget

Obviously, none of the above ideas for running an AFI Project will work if there are no resources and no plan for allocating the resources. The AFI Program is unique in that each Federal dollar granted must be matched by a nonfederal dollar. Experience shows that AFI Project organizations need additional resources to cover administrative and other costs related to the program, and that accurately formulating and monitoring the project budget is critical.

Nonfederal Funding Requirements

OCS requires applicant organizations to provide a dollar-for-dollar contribution of nonfederal funds to correspond with the Federal funds requested in the AFI application. These nonfederal funds are to be used for the same activities and purposes as the Federal funds.

Nonfederal funds can come from numerous sources, both public and private. Many AFI Projects have funds committed from financial institutions, community or corporate foundations, other private sources, and even State and local governments. While any of these sources of funds qualifies toward the nonfederal contribution, applicants whose funding sources are predominantly private have an edge in competing for grants.

Can any Federal funding sources qualify as the nonfederal contribution? Only one Federal funding source – the Community Development Block Grant (CDBG) – may be used as the nonfederal cost share funds. In order to have access to these funds, however, AFI Projects must negotiate with either their State or local government agency that administers the funds.

Commitment of Funds

In many cases, organizations do not have the full nonfederal share in their Reserve Accounts when they apply to the AFI Program. However, applicants must demonstrate that its funders have agreed – or made the commitment – to give the full amount of the required nonfederal match should the organization get an AFI grant. Applicant organizations can demonstrate commitment of nonfederal share by submitting either Nonfederal Share Agreements or letters of commitment. All documents must be signed by an authorized official of the contributing organization.

There are two imperatives for successful nonfederal share commitments:

FIRM, DOCUMENTED COMMITMENTS. A commitment (from the applicant or another contributing organization) will be considered eligible only if the statement of commitment is firm. It may be contingent solely on the AFI grant award. A statement with any other contingencies (such as awaiting final approval at a board meeting) will not be considered eligible. For examples of nonfederal share commitment letters, see Appendix L.

CLEAR SCHEDULE FOR DEPOSITS. The nonfederal share must be deposited into the Reserve Account before Federal funds may be accessed. However, the entire nonfederal share need not be available from the start date of the grant. The nonfederal share may be provided according to a clear schedule of deposits over time.

Uses of Nonfederal and Federal Funding

All of the Federal and nonfederal money for an AFI Project is held together in the project's Reserve Account. At least 85 percent of these funds must be used to match the savings in client IDAs. As you recall, you have already determined your IDA match rate based on the factors described in Section D.

As represented in Figure 4, 85% of the Reserve Account must be used for matching participant IDA savings. This leaves a maximum of 15 percent of the funds for program operating costs. Up to 7.5 percent can be dedicated to overall administration and program-specific activities (e.g., marketing and enrollment processing). Another 5.5 percent can be used to support the costs of providing case management, counseling, and training services to the participant to support him or her in the program. Finally, 2 percent of these funds must be dedicated to the cost of participating in the AFI national evaluation.

Figure 4: Uses of AFI Project Funds

Additional $ and In-Kind Resources

- 85% or more to match participant savings
- At least 2% for data collection
- Up to 5.5% for financial education
- Up to 7.5% for other

Legend: Savings Match, Data Collection, Econ Education, Other Admin

Strengthening Families... Building Communities
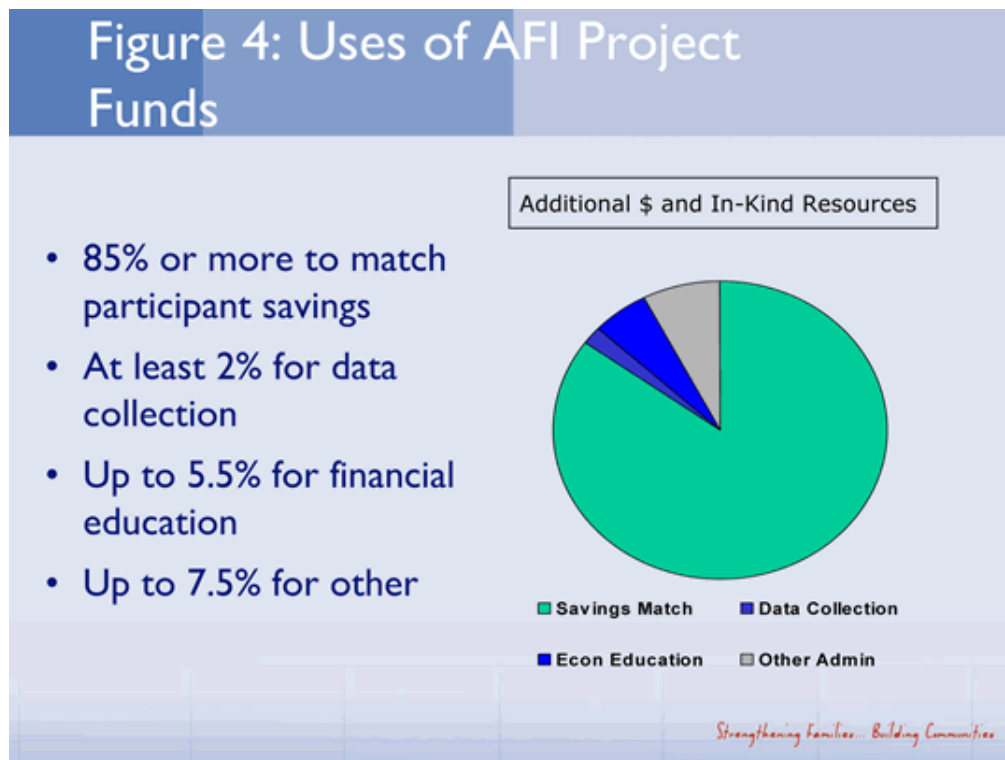
The Program Budget

Once you have determined how much nonfederal share you will be able to raise, and therefore your total budget amount, it is time to design your AFI Project budget. Below are recommended steps to take in developing an AFI Project budget. As you do this, you may also want to refer directly to the required Federal budget forms. See Appendix N.

Step 1: Develop Line-Item Cost Projections

Develop a list of the cost items (budget categories) that will be required for each activity. What will your costs be for developing, duplicating, and distributing marketing materials? What are the costs of providing training? Will this include such items as materials duplication, space rental, refreshments, and child care for participants? Or will this be documented as an amount paid to a partner organization as a fee for providing the training on your behalf? Who is providing case management services (if any)? Indicate staff positions, percent of time dedicated to the project, and discounted salary amounts to cover that time. Don't forget to include fringe or general overhead costs for copiers, phones, office space, and the like.

Step 2: Project Costs Through Five Years

Remember that the AFI Project period is five years. The budget you develop should reflect changes in cost over that period. Much of this can be addressed by assuming a basic inflation rate for each year and adding that to the costs established in the first year. To ensure accuracy in the budget, review the overall expense activities and make additional adjustments based on the program's maturity. Will the program require the same amount of marketing in the third, fourth, fifth year—after all, or nearly all, accounts are open? Will training and counseling costs increase in those later years as more participants require support to prepare for the asset purchase?

Step 3: Compose Budget Narrative

Describe in the budget narrative (or in the budget format) how much of these costs will be funded by the nonfederal and Federal shares and how much is covered by in-kind and other cash resources. It's also critical to note the contributions of partner organizations' in-kind services and the value of volunteers (such as Volunteers In Service To America or VISTA workers). Be sure that these resources are documented with letters of support or estimates of the value of the in-kind services.

Appendix N may give you additional ideas on how to structure this vital program information.

4.   CONCLUSION: APPLYING FOR AFI FUNDING

This guidebook has provided basic guidance about planning and implementing an AFI Project. If you are ready to move forward, below is one final tool to help you plan a successful AFI Project: a checklist of what to include in an application for Federal AFI funding. Please note that this is a general guide. Make sure you refer to the most recent program announcement as requirements may change from year to year.

- **Table of Contents.**

- **Project Summary/Abstract.** Your summary/abstract should not exceed one page in length. Be sure to include all the basic features of your project: the number of participants, the number of IDAs you will open, the amount of Federal funding you are requesting and the amount of your nonfederal share commitments, a brief description of the target population and geographic location for the project, the match rate, and the qualified asset goals. Be sure to note the major financial institution partner and other collaborators or partners. This is a great place to highlight any unique or innovative elements of your program model.

- **Project Narrative.** The written portion of the application (e.g., objectives and needs for assistance; results or benefits expected; approach; evaluation; and organizational profiles) must not exceed a maximum number of pages, excluding charts and appendices. See the latest program announcement for details.

- **Standard Form 424: Application for Federal Assistance.** Make sure the chairperson or executive director of the submitting organization signs this. You can find this two-page form on the Web, at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[*] See Appendix N for a sample of this form.

- **Standard Form 424A: Budget Information – Non-Construction Programs.** You can find this four-page form at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[†] See Appendix N for a sample of this form.

- **Budget and Budget Justification.** This should include not only a comprehensive budget for the five years of the project, but also a narrative detailing the source of these estimates and the sources of income and other resources dedicated to cover these costs.

- **Standard Form 424B: Assurances – Non-Construction Programs.** You can find this two-page form online, at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[‡]

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[*]From this site, scroll down the page to **Grants Application Forms.** Click on the link **Application for Federal Assistance SF-424.**
[†]From this site, scroll down the page to **Grant Application Forms.** Click on the link **Budget Information - Non-Construction Programs SF-424A.**
[‡]From this site, scroll down the page to **Assurances.** Click on the link **Non-Construction Programs SF-424B.**

- **Certification Regarding Lobbying – Certification for Contracts, Grants, Loans, and Cooperative Agreements.** You can find this form, roughly a page long, at http://www.acf.hhs.gov/programs/ofs/grants/lobby.htm/.

- **Standard Form LLL – Disclosure of Lobbying Activities.** You can find this two-page form at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[*] Note that if your organization does not engage in lobbying activities of any kind,[†] you do not need to complete and submit this form.

- **Proof of Nonprofit Status.** The applying organization must include a copy of its 501(c)3 status. This may be in the form of the IRS letter granting certification. It may also be in the form of downloaded documentation from the cumulative list of organizations eligible to receive tax deductions found on the IRS webpage at http://www.irs.gov/charities/page/0,,id=15053,00.html.

  Private, nonprofit organizations are encouraged to submit with their applications the survey located under "Grant Related Documents and Forms," "Survey for Private, Non-Profit Grant Applicants," titled, "Survey on Ensuring Equal Opportunity for Applicants," at: http://www.acf.hhs.gov/programs/ofs/forms.htm.

- **Proof of Low-Income Credit Union Status (if applicable).** Applicant Low-Income Credit Unions must submit official documentation that the National Credit Union Administration has designated the organization as such. For information about Low-Income Credit Unions, see http://www.ncua.gov.

- **Proof of Community Development Financial Institution Status (if applicable).** Applicant Community Development Financial Institutions must submit official documentation that the U. S. Department of the Treasury has designated the organization as such. For information about Community Development Financial Institutions, go to http://www.cdfifund.gov.

Additional information to include:

- **Evidence of Nonfederal Share Funds Committed.** Each application must include documentation that commits nonfederal funds *equal* to the amount of Federal funds requested for the program. If your program has multiple funders, there must be a letter of commitment or a Nonfederal Share Agreement for each funding source. See Appendix L for sample nonfederal share commitment letters.

- **Résumés and Job Descriptions.** Include résumés for existing staff that will play a role in the program's design, implementation, or management. Include job descriptions for those relevant positions that have not yet been filled. See Appendix I for a sample job description.

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[*] From this site, scroll down the page to **Disclosures**. Click on the link **Disclosure of Lobbying Activities: revised to reflect the Lobbying Disclosure Act of 1995 SF-LLL.**

[†] Your chief financial officer usually can assist you in determining this, since lobbying activities must be claimed on tax forms for nonprofit organizations.

- **Partnership Agreements and Network Agreements.** If your program includes vital partnerships with other organizations providing services, such as asset training, counseling services, or other relevant support to your participants, include a letter documenting their commitment to provide these services. Include signed agreements with all members of a network participating in the AFI initiative.

- **Savings Plan Agreement.** Include here a draft of the savings plan agreement you intend to use with your participants. See Appendix E for sample savings agreements.

- **Letters of Commitment and Support.** Include other letters of support from key community institutions or leaders.

- **Relevant Program Information.** If you have information, such as sample marketing materials, financial education curriculum outlines, or surveys to be used in your in-house evaluations, include them as well.

- **Single Point of Contact Comments,** if applicable.

Information about applying online:

- **Grants.gov** is the new Federal website, which allows applicants to apply for Federal grants opportunities electronically. If you are applying through Grants.gov, the content of your application will be identical to what you would have submitted via mail. However, the process is slightly different. Applying this way is not as simple as sending an email with your application attached. Please make sure you carefully read the Grants.gov Website and go through the steps listed under "Prepare to Apply for Grants through Grants.gov." Do this well ahead of the application due date.   Go to: http://www.grants.gov.

Thank you for your interest in the Assets for Independence Program. If you have any additional questions about applying for AFI funding or have comments about this guidebook, please check out the AFI website or contact the AFI Program office.

       Assets for Independence Program, Office of Community Services
       370 L'Enfant Promenade SW, Fifth Floor West Side
       Washington, DC 20447
       Phone: 202.401.4626
       Email: AFIProgram@acf.hhs.gov
       Web site: http://www.acf.hhs.gov/assetbuilding

Appendix A:

Selected IDA and Asset-Building Resources and Publications

The number and variety of asset-building approaches to reducing poverty, including Individual Development Accounts, is expanding at a rapid pace. Also expanding is the research in the field, leading to burgeoning development of information on effective practices. Following are a few sources for research, program models, and other strategies related to asset building. These lists are representative, not exhaustive. Many of these sites themselves have links to additional resources and continually add new information. Several also support ListServs and mailing lists to which you may subscribe to keep up with changes in the field. *Note:* Most of these sites set cookies, and a few require registration (free) to access information and documents. The lists are organized by the following categories:

- General IDA and Asset Building
- Building IDA Networks
- Federal Government Web Sites
- Developing Program Outcomes
- Financial Education and Asset Goals

General IDA and Asset Building

AssetBuilding.org
http://www.assetbuilding.org
A project of the New America Foundation, this Web site includes a comprehensive source of information on asset-building initiatives, policy developments, research projects, and data sources. IDAs are included among the topics here.

Asset-Building Institute
http://www.assetsalliance.org/
The Asset Training Institute offers a continually expanding menu of training for IDA and asset-building practitioners. The Assets Alliance, a cooperative membership organization of experts in the field, offers the institute as one tool for achieving its mission to expand the number of families who benefit from IDAs and asset-building opportunities. The training targets primarily practitioners of emerging and existing IDA programs and includes introductory and advanced topics and tracks. In addition, the Assets Alliance offers access to experts on a wide range of IDA and asset-building topics for those seeking specialized technical assistance, as well as white papers on a variety of topics in the field.

Center for Social Development
Washington University, St. Louis
http://gwbweb.wustl.edu/csd
All evaluation reports developed by the Center for Social Development for the American Dream Demonstration (the first national study of the effectiveness of IDAs) are available for downloading from this Web site. These reports, as well as the other links to subsequent CSD research and publications from other sources, provide great insights into the challenges and opportunities of IDAs. CSD also hosts an annual conference on state IDA policies and publishes the *IDA State Policy Guide: Advancing Public Policies in Support of Individual Development Accounts.*

Corporation for Enterprise Development

http://www.cfed.org

The administrator of the IDAnetwork Web site, CFED also provides many other resources, such as the *IDA Program Design Handbook,* and access to the IDA Network ListServ. Publications cover subfields such as youth IDAs; an annual state-by-state report card on asset building; a searchable database of IDA programs around the country; and *Assets, A Quarterly Update for Innovators,* which reports on key news in IDAs and asset-building policy.

First Nations Development Institute

www.firstnations.org/

FNDI has supported the development of IDA initiatives in Native American communities and offers research and reports for download on its Web site, as well as a financial education model designed for American Indian families.

Institute on Assets and Social Policy
The Heller School for Social Policy and Management, Brandeis University

http://www.assetinstitute.org/

This Web site links to publications, tools, and information about asset building and IDAs provided by the institute.

Institute for Social and Economic Development

http://www.ised.org

ISED offers diverse resources for IDA programs nationwide, including a variety of useful tools in developing IDAs.

World Institute on Disability

http://www.wid.org/

WID has supported development of IDAs for people with disabilities and offers research and reports on asset development for this population. *Asking About Disability: A Guide for Individual Development Account (IDA) Administrators* and other publications can be downloaded from the Web site. You can also subscribe to an electronic newsletter.

Building IDA Network Projects

Amherst H. Wilder Foundation

http://www.fieldstonealliance.org

The Amherst H. Wilder Foundation, now operating under the name Fieldstone Alliance, is a nonprofit human services organization serving primarily the greater St. Paul, Minn., area. The Web site offers two portals: publishing and consulting. To find documents and templates for program design and implementation, choose the publishing option. Offerings include several excellent handbooks on building collaborations. *Collaboration: What Makes It Work: A Review of Literature on Factors Influencing Successful Collaboration* (1992) and *Collaboration Handbook: Creating, Sustaining and Enjoying the Journey* (1994) are just two examples. There are also many helpful papers on board development. Some publications are free for download; others must be ordered.

The IDA Collaboratives Toolkit

http://www.idanetwork.org/

The Assets for All Alliance, an AFI grantee, carried out a case study to identify techniques for developing IDA collaboratives, known as "network projects," on the basis of its experience in San Francisco. With the support of a grant from the Ford Foundation, the Alliance developed a toolkit available for use by the entire IDA field and offered at the IDAnetwork Web site (listed above). For more information about the Assets for All Alliance, see the Web site of the Center for Venture Philanthropy, http://www.pcf.org/venture_philanthropy/afaa.html

Michigan IDA Partnership
http://www.cmif.org/ida/idahome.htm
MIDAP, a statewide IDA network project and an AFI grantee, has placed on the Web key information regarding the structure and operation of its initiative for use by the broader field. The site offers valuable information regarding program operations, partnership agreements, and overall program flow charts, as well as templates for a number of IDA functions.

Federal Government Web Sites

Assets for Independence
http://www.acf.hhs.gov/assetbuilding
This is the Web site for the Federal AFI program, which administers Assets for Independence grants. Located here are resources for applicants and grantees, reports on AFI outcomes, and other resources for the IDA field. From here, you can subscribe to the AFI ListServ, register for monthly conference calls on AFI topics, and download the current announcement of the AFI funding opportunity and the legislation governing AFI.

Community Development Block Grant
http://www.hud.gov/offices/cpd/
This Web site, sponsored by the U.S. Department of Housing and Urban Development, gives an overview of the CDBG program, currently the only Federal funding source eligible to serve as the nonfederal match for AFI grants. The information also indicates a number of ways in which AFI and CDBG may coordinate and support home purchase by AFI participants. Other HUD resources for home ownership and community economic development are accessible from this site as well. For example, AFI grantees may want to explore partnering with local housing authorities who have residents participating in Family Self-Sufficiency savings programs, or in Section 8 Housing Choice Voucher Programs.

Community Services Block Grant
http://www.acf.hhs.gov/programs/ocs/csbg/
This Web site provides information on the CSBG program sponsored by the U.S. Department of Health and Human Services' Administration for Children and Families. The site also gives a listing of local community action agencies in your area. Many CAAs are also AFI grantees. While CSBG funds may *not* be used to as nonfederal match to AFI awards, there are many opportunities for complementary activities between AFI and CSBG-supported programs.

Cooperative State Research, Education, and Extension Services
U. S. Department of Agriculture
http://www.csrees.usda.gov/
CSREES, Cooperative State Research, Education and Extension Services, is comprised of staff linked from 107 sites, in every state. Offices are usually at land-grant colleges and universities, including historically black institutions, Tribal colleges, and institutions serving the territories. CSREES also has an Office of Native American Programs and Hispanic-focused services. Local CSREES sites offer financial education directly or in partnership with other organizations, support free tax filing assistance to access the Earned Income Tax Credit, and are involved in a variety of economic development initiatives in urban as well as rural areas. The site links to a number of financial education curricula designed for a wide range of populations, such as youth, those with low literacy, or of specific cultures.

Internal Revenue Service
http://www.irs.gov
From the IRS web site, grantees can look up definitions of earned income and the current regulations for the Earned Income Tax Credit. The site includes a link to a calculator to determine if an individual is likely eligible for EITC. Other information helpful to serving low-income families, such as how to obtain Advanced EITC credit and other benefits, is also on the site.

Office of Student Financial Aid
http://www.fafsa.ed.gov
From this site, organizations and participants can learn the ins and outs of applying for Federal financial aid for postsecondary education and actually begin the process. The site explains the kinds of aid (grants, loans, work study) and provides a number of explanatory publications on eligibility, education planning and other topics useful to those working with adults or youth interested in more education. There are links to many nonfederal resources as well.

Rural Development Programs
U.S. Department of Agriculture
http://www.usda.gov
From this site, you can follow links to rural and community development programs that partner with nonprofit organizations, individuals and families to increase housing and economic options in rural areas.

Small Business Administration
http://www.sba.gov
The SBA offers a large number of on-line resources that would be helpful to organizations and participants focused on the business asset option. Among these are: a directory of Small Business Development Centers around the country, organized by state and zip code; numerous templates for business planning and management; and examples of small business successes and effective practices.

Temporary Assistance for Needy Families
http://www.acf.hhs.gov/programs/ofa/
This Web site supplies information on the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the TANF program. In some circumstances, states have used TANF funding to support their own IDA programs, parallel to or outside AFI projects. TANF-eligible individuals are automatically eligible for AFI participation. TANF eligibility rules vary somewhat from state to state. This site provides links to state directors and regulations.

Developing Program Outcomes

Annie E. Casey Foundation
http://www.aecf.org
The Casey Foundation includes a variety of reports and other information on family economic security, including use of IDAs and the Earned Income Tax Credit. The site also includes a "Practical Guide to Documenting Influence and Leverage in Making Connections Communities," which offers a number of models for defining outcomes and how to measure them that may be helpful.

ROMA Web Site
http://www.roma1.org/index.asp/
Results Oriented Management and Accountability, or ROMA, is a performance-based initiative designed to provide a results-oriented framework and measurement tools for local agencies receiving Community Services Block Grant (CSBG) funds. These concepts are useful for other projects, as well. The Web site offers tools and resources for implementing ROMA, as well as publications, reports, and technical assistance information.

United Way of America
http://national.unitedway.org/outcomes/
The United Way of America has pioneered the development of tools and resources to support effective outcomes development for nonprofit programs and services. This Web site serves a network of United Way organizations using outcome measurement in their initiatives. Many reports, as well as training and planning documents for developing and implementing outcomes measurement, can be downloaded from the site at no charge.

Financial Education and Asset Goals

American Bankers Association Education Foundation and Scholastic, Inc
http://aba.com/consumer+Connection/
The American Bankers Association provides credit education materials, not all of which are available to the public. AFI grantees can ask their financial institution partners to access the site for them. In addition, the ABA has joined with Scholastic, Inc., to produce a financial education curriculum, Money in Motion, for teachers to use in grades 7-12. Lesson materials may be downloaded from the Scholastic Web site at http://teacher.scholastic.com/lessonplans/moneyin motion/.

Association for Enterprise Opportunity
http://www.microenterpriseworks.org
A membership association of microenterprise development organizations, AEO offers training, resources, and links to microenterprise development activities across the country. A number of AFI Projects participate in AEO activities and use its tools and other resources. The annual conference, described on the Web site, includes sessions on IDAs and other asset-building approaches.

Center for Budget and Policy Priorities
http://cbpp.org
The Center for Budget and Policy Priorities offers publications on the relationship between IDAs and other public benefits. CBPP also engages annually in an intensive outreach and education campaign on how to access the Earned Income Tax Credit and other credits relevant to low-income families. The campaign includes a free, detailed "how to" kit, with current regulations, posters, and other tools to support local EITC efforts. The kit is available in several languages. The site includes an EITC calculator for current eligibility determination.

College Is Possible
http://www.collegeispossible.org/
An initiative of the American Council on Education, this Web site provides resources and tools for planning for a college education for young people and adults alike.

Fannie Mae Foundation
http://www.fanniemaefoundation.org/
The Fannie Mae Foundation offers numerous resources to support affordable housing financing and availability in diverse communities, including provision of free publications and resources on the home-purchase process. Information on complementary initiatives of the Fannie Mae Corporation can be found at http://www.fanniemae.com/.

Fastweb.com
http://fastweb.com
This site is recommended by the U.S. Department of Education to research nonfederal sources of financial aid for postsecondary education. The search is free.

Federal Deposit Insurance Corporation (FDIC)
http://www.fdic.gov/consumers/consumer/moneysmart/
FDIC created Money Smart, a training program to help adults who are outside the financial mainstream develop their financial skills and ability to work with traditional financial institutions. Curriculum materials for instructors and students are available on the Web site, along with other information on working with "unbanked" families.

Federal Home Loan Banks
http;//www.fhlbanks.com
FHLB offers several resources aimed as increasing homeownership for low-income families, include the Individual Development and Empowerment Account (IDEA) program. IDEA provides funds to member banks to match IDA accounts or HUD Family Self-Sufficiency accounts (FSS) for down payment and closing cost assistance.

Financial Education Clearinghouse at
The National Endowment for Financial Education (NEFE)
http://www.nefe.org/amexeconfund/
NEFE'S Web site includes a clearinghouse of financial education curricula that have been evaluated by NEFE staff and experts for accuracy of information, suitability for target audience, and numerous key criteria. Many of the curricula and materials included in the clearinghouse can be downloaded free or purchased for a nominal fee from the sponsoring organizations. NEFE offers other resources and support for financial education, making it a valuable reference for AFI Projects.

Habitat for Humanity
http://www.habitat.org
Habitat is the best known of several organizations that combine sweat equity with financial education and savings to help low-income families become homeowners. There are chapters throughout the country, and several grantees are working with families involved in AFI and Habitat.

Jump$tart Coalition for Youth
http://www.jumpstartcoalition.org
Jump$tart maintains a financial education clearinghouse with links to materials suitable for children and youth, from kindergarten through high school. The site includes a database searchable by keyword.

National Educational Opportunities Centers Association
http://www.neoca.freeservers.com
The Federally funded Educational Opportunity Centers focus on helping first-generation, low-income students access postsecondary education, a profile that overlaps with AFI's eligible population. At this site, you can locate the 139 centers around the country by state and learn more about the support available for preparation, application and enrollment in postsecondary education.

National Community Reinvestment Coalition
http://www.ncrc.org/
NCRC offers training and free curriculum materials for organizations interested in offering financial education. NCRC's training guides are offered in both English and Spanish. Information on how to access its curriculum is available on its Web site.

National Community Tax Coalition
http://www.tax-coalition.org/index.htm
The National Community Tax Coalition provides training on how organizations can link their clients to the Earned Income Tax Credit and free filing assistance.

NeighborWorks America Training Institute
http://www.nw.org
Part of the Neighborhood Reinvestment Corporation, the institute offers training to nonprofit organizations on how to develop and deliver homeownership training and counseling programs. Numerous resources are listed on its Web site to assist in supporting homeownership in your community.

Pathways to Prosperity

http://www.idanetwork.org/

Pathways to Prosperity is a financial education curriculum that was developed especially for IDA programs seeking to integrate financial education into their agenda. Developed out of a partnership between CFED and NEFE, the curriculum description can be accessed at the IDAnetwork Web site. There is a $50 fee to cover the cost of shipping a facilitator's manual and participant handbooks.

Service Corps of Retired Executive

http://www.score.org

SCORE is an all-volunteer organization of more than 11,500 members around the country with experience in all kinds of business sectors, all sizes of businesses, and in all phases of business development and operation. Chapters have offices in Small Business Development Centers (SBDCs) located most often at colleges and universities or in local economic development organizations, chambers of commerce, or other venues. SCORE offers general business planning seminars, training on special topics, and direct one-on-one counseling for participants online or in person.,

Appendix B:

Earned Income Tax Credit and Federal Poverty Information

The Earned Income Tax Credit (EITC) eligibility and Federal poverty information are both useful in determining whether a person is eligible to participate in an AFI Project. Eligibility for AFI may be calculated, in part, using either applicants' eligibility for TANF _or_ one of two other measures: their eligibility for the Earned Income Tax Credit program or their annual income in relation to the Federal poverty line. If using the poverty figures or EITC thresholds, you must _also_ take into account the limit on assets, which cannot exceed $10,000 (excluding a residence and one car per household). The following tables provide income eligibility figures for the EITC program and the Federal Poverty line.

EITC Income Guides

Income and family size determine the amount of the Federal Earned Income Tax Credit an individual or family may receive. For tax year 2007, filing in 2008, to qualify for the credit, a person's or family's investment income must be $2,900 or less. In addition, both earned income and adjusted gross income for 2007 must be more than $1 but no more than the amounts listed for each category in the table below.

Income Caps for Earned Income Tax Credit, Tax Year 2007		
Families With the Following Number of Qualifying Children	Family Head Filing Individually	Married Filing Jointly
0	$12,590	$14,590
1 child	$33,241	$35,241
2 or more children	$37,783	$39,783

The Internal Revenue Service adjusts the EITC income caps annually. For more information about the EITC, go to the AFI Asset-Building Web site: http://www.acf.hhs.gov/assetbuilding for links to the IRS posting and to IRS information on EITC.

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Appendix C:

Gathering Data on Your Target Population

National data, such as U.S. Census Bureau statistics, can help AFI applicants document local population characteristics. AFI Projects have used various other tools and strategies described below to provide additional insights into a target community.

- **Needs Assessments.** AFI encourages prospective grantees to do a needs assessment to understand local conditions. One grantee used an existing area-wide needs assessment with demographic information on who receives assistance, who has children, and divorce rates. The data indicated, for example, the number of families that could qualify to participate under the AFI guidelines.

- **Focus Groups.** Some agencies host focus groups of providers or community members to learn about the target population and potential interest in IDAs. Several current AFI Projects have convened people already using their agency's services to learn about their ability to save, readiness to take the time needed for training, comfort level with financial institutions, and interest in IDAs. One AFI Project held five focus groups distinguished by common group characteristics (e.g., former welfare recipients, youth over 18), and followed traditional focus-group methodology. The groups went through 30 questions on financial readiness topics: *Have you maxed out your credit cards? Ever read your credit report? Ever been denied credit?* The IDA manager for this project reported, "We found that the credit history of many clients was not *bad* credit, but rather *no* credit." Such knowledge may be important for determining your target population and project design.

- **Key Informant Interviews.** Another form of qualitative information is often gathered from contacts with agencies serving low-income populations. For AFI application purposes, these interviews are best done formally through standard interview protocols. However, any information will be useful. For example, one applicant looked inside its agency and did informal interviews with staff working on related programs.

- **Networking.** Another strategy is to talk to other groups locally or even around the country to find out how they assessed the resources, opportunities, and challenges their AFI Projects would face. For example, one grantee looked at lessons learned from the privately funded American Dream Demonstration—a precursor to AFI in the late 1990s. "We did some significant listening and sharing on what works and doesn't work," said one AFI Project staff person.

- **Recent Local Studies.** It may be that your local jurisdiction or another neighborhood organization or coalition will have done a recent and useful study. For example, many cities have data on employment, home ownership, household income, education, or business activity that is more recent than Census data and that may be available by zip codes or neighborhood designations. Check local offices for economic development or housing services, or planning offices. Twenty-one large and medium-size cities have Neighborhood Indicator Partnerships that gather all kinds of data from all kinds of sources so that you don't have to repeat this work. Check http://www.urban.org/nnip.

Appendix D:

AFI Project Reserve Accounts and Participant IDAs

AFI has a few requirements regarding how the Project Reserve Account and participant IDAs are structured. Knowing these requirements and including them in any agreement with your financial institution partner(s) and in Participant Savings Plans are the keys to a successful AFI Project. Below are some important tips for designing and managing these accounts. Additional information is included in the discussion of grant management and reporting in the next section of this guide.[1]

Keep accounts in Federally insured financial institutions. Project agencies must maintain the Project Reserve Account at a Federally insured financial institution, such as a bank or credit union. If no Federally insured bank or credit union is available, accounts may be maintained in a State-insured financial institution.

Do not mingle the AFI Project Reserve Account or participant IDAs with other funds. The Project Reserve Account and the IDAs must be separate and distinct from other accounts held by your organization or by the participants. Project Reserve Accounts for different AFI grants should also be separate and distinct.

Draw Federal funds when nonfederal funds are available and deposited into the Project Reserve Account. Organizations that are managing AFI Projects may draw down their Federal grant funds as soon as the nonfederal contribution is available. It is best to have access to the nonfederal contribution as early as possible and to draw the total of the Federal grant amount as soon as the nonfederal funds are deposited into the Project Reserve Account. All nonfederal contributions and the Federal grant amount deposited into the Project Reserve Account may earn interest income. The resulting interest income may be used to augment the total resources available for the program. Once an amount is allocated to a participant IDA, however, the interest income earned on that amount is also allocated to the participant's IDA on a prorated basis (see below).

> *Tip*: A great added-value marketing tool for both participants and potential funders is offering interest on top of the match itself. First, many AFI Project staff report that this offers more incentive to participants. Second, interest earned on the fund in the Project Reserve Account is available to the grantee organization for other uses (e.g., administrative costs)—as long as it is not already dedicated to specific participant IDAs.

Section D of the Project Builder that discusses the Project Reserve Account and participant IDAs includes illustrations of how funds are joined in the reserve account and how they are disbursed from the reserve account.

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[1] See Section D of the AFI Project Builder: A Guide for Planning and Assets for Independence Project: http://www.acf.hhs.gov/assetbuilding/applying.html#guide.

Federal Poverty Information

Poverty figures used to determine eligibility for AFI vary by family size and, in some cases, by State. Current guidelines are found by going to the AFI Asset-Building Web site at http://www.acf.hhs.gov/assetbuilding.

Federal Poverty Lines for 2007*			
Persons in Family Unit	**48 Contiguous States and D.C.**	**Alaska**	**Hawaii**
1	$10,210	$12,770	$11,750
2	$13,690	$17,120	$15,750
3	$17,170	$21,470	$19,750
4	$20,650	$25,820	$23,750
5	$24,130	$30,170	$27,750
6	$27,610	$34,520	$31,750
7	$31,090	$38,870	$35,750
8	$34,570	$43,220	$39,750
For each additional person, add	*$3,480	$4,350	$4,000

* The poverty figures are adjusted annually.

Appendix E:

Savings Plan Agreements

Before a new IDA is opened, the participant and the AFI Project must commit to a set of rules and responsibilities outlined in a Savings Plan Agreement. The following are some elements to include in Savings Plan Agreements between AFI Project organizations and their participants. These are just suggestions. Grantees should tailor agreements to their needs, within the requirements of the AFI statute.

- A savings goal, including a proposed schedule of savings deposits by the participant from earned income, which must be for a period of more than six months from the date of the first deposit.

- The proposed qualified expense (first home, education, microbusiness) for which the IDA is maintained.

- The length of time to achieve the participant's savings and asset acquisition goals.

- The rate at which participant savings will be matched (from $1 to $8 of the Federal and nonfederal match (combined) for each dollar in earnings the participant deposits). (*Note:* The Federal grant funds portion of the match may not exceed $2,000 per individual and $4,000 per household during the five-year project period.)

- The schedule of match deposits and interest allocation to be followed by the AFI Project.

- Financial education summary, where the AFI Project agrees to provide training and the participant agrees to attend.

- Any additional training or education related to the qualified expense that the AFI Project agrees to provide (or may require) and that the participant agrees to take.

- Process for notification of participant in the event that the participant exceeds or fails to meet projected savings goals. The process may include schedules and contingency plans.

- Any agreement as to investments of assets maintained in the Project Reserve Account, if applicable.

- An explanation of withdrawal procedures and limitations, including the consequences of unauthorized withdrawals from the participant's IDA.

- An explanation of the conditions under which the project may ask a participant to withdraw personal savings and leave the program, such as failure to attend or complete trainings or a pattern of missed deposits. Include the AFI Project's responsibility for working with the participant to avoid the need to withdraw.

- Provision for disposition of the funds in the IDA in the event of the participant's death.

- Provision for amendment of the agreement with the concurrence of both AFI Project and participant.

Where match rates and maximum savings amount differ for the different asset goals, it may be clearer for AFI Project to use separate documents rather than including alternatives in a single form.

Following are two sample Savings Plan Agreements that incorporate many of the suggested elements. You may also download Word versions of these sample agreements by going to http://www.acf.hhs.gov/assetbuilding.

Sample Savings Plan Agreement #1

(I: On these sample forms, the term "AFI Project" refers to the grantee or its IDA initiative. You probably will want to replace that term with the grantee organization's name and/or the name of its IDA initiative.)

1. My savings goal for the Individual Development Account is $_____ per year over the course of two years. I understand that a maximum of $_____ will be matched by the AFI Project annually, at a rate of __-to-1 (The AFI Project will contribute ___ dollars for every dollar of earned income that I save toward one of the designated assets).

2. My monthly savings goal will be $_____. I understand that I am required to make monthly deposits from earned income, with a minimum monthly deposit of $____, at [Name of Bank] in the form of _____, and that I may miss a maximum of three monthly deposits over the course of one year. I will be notified and warned of termination after three missed deposits. If I must miss a deposit, I will contact the program coordinator immediately to discuss the reason and to plan to be consistent in the future. [*Note:* Some programs lack the staff to do this level of personal follow-up with clients—the time to visit and counsel—so take this into consideration.]

3. My asset goal is the following: _____.

4. I understand that I have up to ___ months to achieve my savings goal and up to ___ months after that to make my purchase.

5. In order to be a part of this project and to receive the savings match, I must attend all of the personal money management course sessions. If I miss a class, I will call the program coordinator immediately to discuss the situation and will make arrangements to make up the missed session. In addition, I agree to complete all financial education activities as required. Upon completion of the financial education class, I have the option to participate in further training on starting a business, buying my first home, or going back to school through either the AFI Project or a community partner.

6. I will not withdraw money from this IDA savings account under any circumstances without consulting the program coordinator. Unauthorized withdrawals may force me to be dropped from the AFI Project and to forfeit my rights to any match monies accrued. If at any time I am not able to meet my monthly savings goal, **I will call the project coordinator and discuss the situation immediately.**

7. I will review my savings and asset goals and my performance in meeting or exceeding these goals regularly. If a revision is in order, I will make an appointment to revise this Agreement with the AFI Project Coordinator.

8. In the event of my death, I understand that if I designate another eligible individual as the beneficiary, that person will receive both my savings and earned match, provided he or she satisfies all project requirements. If I designate someone who is not eligible for an account, the beneficiary will receive only **my** savings, and my earned match will be used to match other account holders. Accordingly, I designate the following beneficiary: _____.

9. Withdrawing money: With this special matched savings account, I can withdraw money only after I have made monthly deposits for at least six months for one of the three purposes listed below:
    a. Starting or expanding a small business, with an approved business plan (e.g., equipment, inventory, and marketing materials).
    b. Purchasing my first home—upfront costs (e.g., earnest money, down payment, appraisal, and home inspection costs) or principal on the mortgage.

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    c.   Enrolling in postsecondary education or training (e.g., tuition, books, entrance fees, registration costs, and lab fees) or the purchase of necessary equipment or supplies, including a computer.

10. All checks will be made payable to a third-party vendor.   _____

                                                                       Initials

11. Withdrawals after the first initial draw can be made only *quarterly*, with the exception of first-time home purchase.

12. In special circumstances, I will be able to withdraw my own savings (without matched dollars) for emergency purposes. I am allowed 12 months to replace that money to continue to be a part of the project. I must meet with the project coordinator and fill out and sign the emergency withdrawal agreement.

13. In order to withdraw *any* money, I must obtain a signature from the AFI Project coordinator before going to the bank. This requirement ensures that I have thought carefully about my purchase and that I am using it for one of the three assets listed above. *All* account withdrawals require dual signatures—one from the AFI Project coordinator and one from me.

                                                                       _____
                                                                         Initials

I agree to the terms and conditions as stated above.

_____   _____
Participant   Date

_____   _____
NAME OF AFI PROJECT Coordinator   Date

Sample Savings Plan Agreement #2

(*Note*: On these sample forms, the term "AFI Project" refers to the grantee or its IDA initiative. You probably will want to replace that term with the grantee organization's name and/or the name of its IDA initiative.)

Between the AFI Project and _____
<div align="center">Participant's name</div>

The Participant understands and agrees that:

1. The AFI PROJECT is designed to assist the participant in achieving greater economic success through training, savings, and matching funds.

2. The participant shall open an IDA savings account at [Name of Bank]**.**

3. The participant is not subject to regular account fees while they are enrolled in the AFI Project. [*Note*: Banks may resist dropping fees. If so, think about how to get around them, for example, by maintaining a minimum balance or making minimum deposits each month.]

4. The participant shall make a monthly deposit into the IDA account from his/her earned income with the minimum deposit allowed being $___ and the maximum monthly deposit allowed being $___. If no deposit is made one month, the participant must consult with the AFI Project coordinator to readjust her/his savings plan. If the participant is delinquent several times he/she may be terminated from the program.

5. The AFI Project will match, in its own account, the participant's savings at a rate of $__ or $__ in match money for every $1 saved in the IDA, depending on the participant's income level.

6. The participant must be in this program for a minimum of one year and a maximum of three years, allowing for a maximum matched savings limit of $____ at the __:1 match rate and $____ at the __:1 match rate. Additional savings above the limit are encouraged, but not matched.

7. After the first year from the date of opening an IDA account *and* successful completion of all program requirements, and after consultation with The AFI Project, a participant in good standing may withdraw his/her savings and use matching contributions for the following qualifying expenses:

    i.   Post-secondary or industry-related vocational education

    ii. Industry-related business capitalization

    [*Note*: AFI projects are not required to offer all of the asset purchase options, but may choose to offer one or any combination appropriate for their target population and local community resources.]

    The AFI Project shall have full discretion to decide what constitutes Qualified Expenses and how the savings and matching contributions shall be disbursed in paying for the Qualified Expense.

8. The participant is required to complete the AFI Project's financial education course, and any missed classes must be made up within 12 months. Failure to do so will be grounds for termination from the program.

9. Withdrawals of savings for purposes other than paying for the Qualified Expenses are not allowed. However, in the event of an emergency, withdrawals may be permitted for certain situations. Such emergency withdrawals from the IDA savings account require the approval of the AFI Project Coordinator and will be permitted no earlier than six months after the initial deposit by the participant and only for the following:

    i.   Medical expenses

    ii. Payments necessary to prevent eviction

    iii. Necessary living expenses following loss of employment

<div align="center">**AFI Project Builder Appendices**</div>

No matching contributions will be made until the withdrawn amount has been fully repaid. If the withdrawal amount is not paid within 12 months, the participant will not be permitted to continue in the program.

10. The participant may designate a beneficiary to receive his/her IDA in the event of the participant's death prior to successful completion of the program. To the extent allowed by law, the designated beneficiary will be entitled to the deceased participant's savings. Moreover, if the beneficiary qualifies for participation in the IDA program at that time, then she/he will be eligible to complete the requirements of the IDA program and receive the deceased participant's matching contributions.

11. The participant shall be free at any time, after consultation with the AFI Project, to terminate participation in the program and will be able to withdraw his/her savings and any interest earned on these savings.

12. If the participant's participation in the program is terminated, he or she will become ineligible to receive any matching contributions.

13. Upon termination, a participant's IDA will be transferred to a regular savings account at [Name of Bank] over which the participant has full responsibility and control. This savings account will be subject to all the normal fees and regulations.

14. During the course of the program, the participant is encouraged to address any credit problems he/she has that will affect his/her success in achieving the asset goal.

15. The AFI Project staff or outside consultants may review information regarding each participant for program evaluation purposes. *All information provided for this evaluation will be confidential and participants' names will never be used in any reports or summaries originating from this evaluation without prior written consent.*

16. The participant shall participate in evaluation activities, which may include completing surveys, participating in focus groups, one-on-one interviews, or other activities.

17. The participant shall notify the AFI Project's Coordinator before making emergency withdrawals, missing a money management class, or missing a monthly savings deposit.

18. The AFI Project reserves the right to change the rules and policies during the term of this letter of agreement. Written notification of any changes will be provided to participants prior to their taking effect.

19. In the event of any inconsistencies between provisions herein and applicable Federal, State, or local law, this Agreement shall be construed to omit the provisions herein that are inconsistent with applicable law and to substitute in their place the relevant provisions of applicable law.

The AFI Project agrees:
1. To allocate $__ or $__ in matching funds, depending on the participant's income level, for every $1 a participant saves up to $___ (for a __-to-1 match) or $___ (for a __-to-1 match).

2. To provide account holders with monthly statements of savings and accrued matching contributions.

3. To coordinate and provide a financial education program and additional support services for the participant in order to enhance the participant's savings efforts and progress toward asset goals.

4. To work with the participants so that program elements do not in themselves discourage participation in the program (e.g., to offer alternative times for financial literacy training).

5. To work with participants to ensure that their savings timeline and plan are feasible and contain reasonable goals.

6. To work with participants at their request to address any barriers to completing all of the requirements for eligibility in the program, including assisting them to find other resources for emergencies in lieu of making a withdrawal from the IDA.

7. To assist participants in finding appropriate training to prepare them for their specific asset goals.

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8. To make IDA funds and matching funds and any interest earned thereon available for the participant at the time of asset purchase. *Funds will be disbursed directly to the asset vendor (e.g., an educational institution or business supplier).*

9. To work with participants for up to one year after program completion, providing counseling and referrals to provide support for participants as they strive to maintain their goals for success.

I understand the terms and conditions set forth above for participating in the AFI Project.

_____
Project Participant   Date

_____
AFI Project Manager   Date

Savings Plan

Projected monthly savings: _____

Proposed qualified expense: _____

Appendix F:

Marketing, Recruitment, and Retention of Participants

Many AFI Project administrators have found that the initial time required to do the marketing, attract attendees to orientation, and actually enroll participants is longer than they anticipated. Program staff sometimes struggle with explaining IDAs and AFI Project guidelines to the public, including to potential participants. When marketing an AFI Project, the general rule is to keep things simple and clear so that people will be attracted to the project and potential participants will fully understand their roles and responsibilities.

AFI Projects often find that they lose participants between initial recruitment (an orientation session or during a phone inquiry) and the time for account opening. Attrition may occur because of a breakdown between marketing activities and reaching the intended audience. Public service announcements on local radio stations may be useless, for example, if the people they draw to orientation sessions are ineligible for the program. In order to anticipate recruitment challenges, make sure that the initial assessment of your project's target population (i.e., the needs assessment) is as complete as possible. Following are some helpful questions to consider when planning your project's marketing and recruitment strategies:

- What will your target population likely wonder about the IDA concept when they first hear of it? If you are unsure of the answer, talk to program staff at your organization or a partnering agency or speak to members of the target population directly in focus groups or even informal, ad hoc conversations.

- Are the operational procedures and policies for your AFI Project established and clearly communicated so that staff and participants have a clear understanding of how to navigate the elements of the project?

- Are written documents describing the project's policies and procedures clear and simple? Try testing them with a variety of folks of different ages and reading levels.

- After you have described the AFI Project to potential participants, can they easily describe back to you the benefits of the IDA? Can they tell you the process for applying to be a participant in your AFI Project?

- Do the organizations with which your agency is partnering for the AFI Project clearly understand their roles and responsibilities? Are those partners in good standing with the target population? Are they ready to launch this project with you?

- Has you organization assessed the market conditions in your community to determine whether it would be feasible for participants to purchase any of the three allowed AFI Project assets (first home, higher education, small business)? Does your organization have a plan to tap other resources for additional support for participants if needed as they navigate the purchase process?

- To limit attrition, will your agency sponsor financial literacy and education sessions and asset-specific training at various times of the day and often enough to keep your project participants on track with the savings and training time line? Are you or your agency concerned that workshop sessions may begin late in the program period, get overbooked, or be offered too few times to meet participant needs?

- Has your organization developed contingency plans for delays in recruitment, attrition during the savings period, and participant delays in making a successful asset purchase once they have met program requirements?

Some projects expect to tap into their current client base. Do not assume that all of your current service population is ready and interested in an IDA, even though they may meet basic eligibility guidelines. A family in crisis or without stable employment may need to address those matters before taking up the long-term IDA commitment.

Appendix G:

IDA Asset Cost Due Diligence Worksheets

Here are individual work sheets for each asset goal: home ownership, business, and education. The sheets will help you organize available information on the actual cost of the assets in your own community. You may find that a particular asset goal, such as homeownership, may not be realistic for the population you plan to target, or you may find there are additional resources to complement the AFI project funds and participant savings that make an asset purchase possible. You may also find that if your own organization lacks experience in an asset area, that there are many other sources from which to gather information that will be useful, not only in estimating actual purchase costs but also in developing policies and procedures to support your participants on whichever path they choose to travel.

Return to the table of contents for these appendices, and click on either the Word or Excel versions of these worksheets.

Asset Goal: Home Ownership

1. **Estimate the approximate selling price of homes in your community.**

	Estimate cost according to…		
	local affordable homeownership program	local real estate professional	review of real estate ads in local newspaper
For a family of two *(# of bedrooms?____)*	$	$	$
For a family of three *(# of bedrooms?____)*	$	$	$
For a family of four *(# of bedrooms?____)*	$	$	$

2. **Estimate the size of a typical down payment (as a percentage of a home's selling price).**

	Estimate down payment % required according to…		
	a commercial bank or mortgage company	a community development credit union	a local affordable homeownership program
With *excellent* credit	%	%	%
With *average* credit	%	%	%
With *marginal* credit	%	%	%

3. Estimate typical closing costs involved in purchasing a home in your community.

	Estimate according to…		
	a commercial bank or mortgage company	a community development credit union	a local affordable homeownership program
Home inspection	$	$	$
Attorney's fees	$	$	$
Title Fees	$	$	$
Lending Fees	$ *-or-* %of loan:	$ *-or-* %of loan:	$ *-or-* %of loan:
Insurance Deposit	$	$	$
Other	$	$	$
Total:			

4. **Estimate the value of homebuyer grants, subsidies or other programs in your community.**

		Potential home buyers' grants or subsidies according to…		
		bank, credit union or mortgage company	Federal, state or local government agency	affordable homeownership program
Reduced down payment requirement	*program name*			
	required down	%	%	-
	who's eligible			
Subsidies or reduced mortgage rate	*program name*			
	subsidized rate	%	%	-
	who's eligible			
Grants or down payment assistance	*program name*			
	assistance amount	$	$	$
	who's eligible			
Other programs	*program name*			
	description			
	who's eligible			

5. Calculate the total acquisition costs for homes in your community.

	For a household of two *(# of bedrooms?____)*		For a household of three *(# of bedrooms?____)*		For a household of four *(# of bedrooms?____)*	
Selling Price	$	$	$	$	$	$
x Down payment %	%	%	%	%	%	%
= Down payment $	$	$	$	$	$	$
Total Closing Costs	$	$	$	$	$	$
Less Grants/Subsidies	($)	($)	($)	($)	($)	($)
Net Acquisition Cost *	$	$	$	$	$	$

* Net Acquisition Cost = Down Payment + Closing Costs - Grants or Subsidies

6. Review on-going costs of homeownership that the acquisition costs you've calculated suggest.

Once you've calculated acquisition costs, it is important to consider the corresponding total mortgage amount (cost of the home less down payment) and monthly mortgage payment in order to see if families in your program would be able to support the on-going costs of homeownership. Consult a financial institution or use a computer spreadsheet (or online mortgage calculators) to estimate monthly payments for mortgages of different sizes. Add home maintenance and utility costs, which should be discussed in home ownership classes offered as part of asset-related training. Factor in taxes and insurance if your mortgage source or calculator does not.

	For household of two		For a household of three		For a household of four	
	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
Selling Price:	$	$	$	$	$	$
Less Down payment	($)	($)	($)	($)	($)	($)
= mortgage payment	$	$	$	$		
Mortgage rate	%	%	%	%	%	%
Monthly payment on… a 20-year mortgage:	$	$	$	$	$	$
a 30-year mortgage:	$	$	$	$	$	$
Adjustable Rate Mortgages (ARM'S)	$	$	$	$	$	$
Monthly mortgage payment + taxes, insurance, maintenance, utilities	$	$	$	$	$	$

Asset Goal: Education

1. **Estimate the cost of postsecondary courses of study, including tuition, fees, and other school-related expenses, and living expenses by calling local schools and vocational training programs.**

	Costs to pursue…			
	a 2-year AA degree at a community or junior college *specify:* (_____)	a 4-year degree at a state college *specify:* (_____)	postgraduate degree/study at a state college *specify:* (_____)	a professional or trade credential at a vocational training program *specify:* (_____)
Tuition and fees	$	$	$	$
School expenses (books, supplies, etc.)	$	$	$	$
Estimated living expenses	$	$	$	$
Total cost	$	$	$	$

Note: AFI generally does not cover living expenses, but factoring in these costs (e.g., childcare, transportation, housing, etc.) while in school will help the participant come to a realistic budget.

2. **Estimate available grants, loans (Federal, state, institutional), or other forms of financial aid.**

		Available grants or support for…			
		a 2-year AA degree	a 4-year degree	postgraduate degree/study	a professional or trade credential
Aid from individual schools	*Grant program*				
	Amount	$	$	$	$
	Eligibility				
State education financing agency	*Grant program*				
	Amount	$	$	$	$
	Eligibility				
Federal aid programs	*Program*				
	Amount	$	$	$	$
	Eligibility				
Other aid programs	*Program*				
	Amount	$	$	$	$
	Eligibility				

Note: Participants may quickly learn the amount of Federal aid (grants or loans) for which they are eligible by filing the FAFSA (Free Application for Federal Student Aid). Go to http://www.studentaid.ed.gov for the forms and links to advice on the Federal student aid process. Applications should be made several months before enrollment. Don't forget the possibility of employer reimbursement for educational progress. Someone already in default on a student loan may be reinstated for eligibility by entering into a repayment agreement and paying regularly.

3. **Calculate total cost of obtaining postsecondary education.**

	Total net cost to obtain a…			
	a 2-year AA degree per semester	a 4-year degree per semester	postgraduate degree/study per semester	professional or trade credential
Total cost	$	$	$	$
Less grants/loans	($)	($)	($)	($)
Net cost	$	$	$	$

Note: It may be helpful to work out the above steps in terms of individual semesters or quarters or other enrollment periods, especially for adults interested in vocational training and specific skills linked to job advancement.

4. **Review on-going monthly education loan repayment costs.**

Once you've calculated the cost of obtaining postsecondary education or training, it is important to consider whether IDA participants would be able to support the on-going monthly cost of repaying education loans, if these are part of the overall budget. Consult a financial aid specialist or use a computer spreadsheet (such as the =PMT function in Microsoft Excel) to estimate monthly payments for education loans totaling different amounts. Examine terms of any loans carefully. Predatory lending exists in education as well as in housing.

	Total net cost to obtain a…			
	a 2-year AA degree	a 4-year degree	postgraduate degree/study	professional or trade credential
Total amount borrowed to finance education:	$	$	$	$
Loan financing rate:	%	%	%	%
Monthly payment on loans with a 10-year term:	$	$	$	$
Monthly payment on loans with a 15-year term:	$	$	$	$

What level of income will be necessary to support these monthly loan payments? Can people with degrees or certifications used on your worksheet above find jobs in your community that provide an income of the necessary level and that contribute to higher household net income and self-sufficiency?

Asset Goal: Microenterprise

1. **Estimate the total amount of start-up capital required by low-income entrepreneurs launching or expanding microenterprises in your community.**

	Average required start-up capital according to:					
	local microenterprise program		small business administration lender		bank or community development credit union	
	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
Service-based business	$	$	$	$	$	$
Manufacturing business	$	$	$	$	$	$
Retail business	$	$	$	$	$	$

2. **Estimate the percentage of total start-up or expansion capital an entrepreneur must have "in hand" in order to qualify for a start-up loan or other financing.**

	Percent of total capital required to qualify for financing according to:					
	local microenterprise program		small business administration lender		bank or community development credit union	
	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
Service-based business	%	%	%	%	%	%
Manufacturing business	%	%	%	%	%	%
Retail business	%	%	%	%	%	%

3. Estimate the value of available microenterprise grants or subsidies in your community.

		Potential microenterprise grants or subsidies according to…		
		local microenterprise program	small business administration lender	bank or community development credit union
Capital grants or cash assistance	*program name*			
	required down	$	$	$
	eligibility			
Subsidies or reduced rate loans				
	program name			
	subsidized rate	%	%	%
	who's eligible			
Other programs*	*program name*			
	description			
	who's eligible			

* Do not forget that some jurisdictions have business associations or economic development initiatives that target specific neighborhood or industry sectors.

4. Estimate the total cost to start up a microenterprise in your community.

		Service-based business		Manufacturing business		Retail business	
		Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
	Total start-up capital requirement	$	$	$	$	$	$
	% of capital needed to qualify for financing	%	%	%	%	%	%
	Less Grants/Subsidies	($)	($)	($)	($)	($)	($)
	Net start-up Cost *	$	$	$	$	$	$

* Net start-up Cost = Total Start-up Capital *x* % of Capital Needed to Qualify for Financing - Grants/Subsidies

Appendix H:

Eligible Educational Institutions

The Assets for Independence program guidelines define the institutions eligible to receive funds for postsecondary education or training by reference to two other pieces of legislation: the Higher Education Act of 1965, sections 101 and 102; and the Carl D. Perkins Vocational and Applied Technology Education Act.

In general, institutions that are eligible to receive Federal financial aid funds, such as Pell grants, or to work with Federal student loans, such as Direct Student Loans, and other Federal sources to support the costs of attendance, are eligible institutions under these definitions.

Many proprietary institutions fit the definitions, as do some, but not all, institutions that operate via distance learning and correspondence training. In addition, some, but not all, foreign institutions are eligible. In most cases, unions or professional organizations that provide training or certification are not eligible to receive AFI funds.

If you have any doubt about whether an institution is eligible, ask the business office to confirm whether they receive Federal financial aid funds, such as those listed above. You may also ask for their Federal code number associated with handling Federal financial aid for students. You can check their accreditation status at the U.S. Department of Education Web site shown below. Simply enter the institution's name; you do not need to provide other information, such as their accrediting agency or location.

U.S. Department of Education web site for checking accreditation:

http://ope.ed.gov/accreditation/Search.asp

Appendix I:

Sample Job Description

The following is an example of a job description for the program coordinator function at an AFI Project. Staffing configurations and staff roles and responsibilities vary from organization to organization, and they reflect specific project design. For example, some positions will entail far less individualized support for clients; or partnering organizations may manage day-to-day participant activities while the coordinator has oversight of more central functions and receives reports from partners. *(Note*: On these sample forms, the term "AFI Project" refers to the grantee or its IDA initiative. You probably will want to replace that term with the grantee organization's name and/or the name of its IDA initiative.)

Position: IDA Program Coordinator

Full-time position responsible for coordinating the AFI Project's Individual Development Account (IDA) and Economic Education programs. Reports to Director.

Duties and Responsibilities
1. Maintain and improve the daily operations of the AFI Project's Economic Education initiative, including the Individual Development Account (IDA) program. Meet or exceed required program goals and outcomes.

2. Coordinate and maintain all record keeping and financial tracking for the individual IDA accountholders using AFI information system software. Process ongoing client statements on schedule. Maintain relationship with project bank partner(s).

3. Coordinate all AFI Project information sessions, training classes, and follow-up session logistics, including: scheduling, guest speakers, facilities, materials, promotion, confirmations, tracking, evaluation, and follow-up. Facilitate/teach all sessions, training classes, and monthly Savings Club meetings.

4. Work one-on-one with current and future economic education participants and IDA accountholders. Meet at least twice annually and talk quarterly. Assist participants in opening/maintaining agreements and accounts. Develop strategies to encourage participants to save regularly. Provide help with classroom homework or missed sessions.

5. Develop and implement regular outreach and program promotion, including: news releases, flyers, media coverage, telemarketing, correspondence, etc.

6. Complete all required funder reports accurately and on time. Provide president with program materials, status, and outcomes as requested.

7. Develop, improve, and maintain a policy program manual program and insure that all staff involved are knowledgeable about current policies and procedures.

8. Assist in overall mission of the AFI Project by working in a team environment to effectively complete other duties as assigned.

Qualifications

Minimum of two to three years' experience in economic development, credit/financial education, or program coordination. High school degree required; bachelor's degree preferred. Must be detail-oriented and possess strong organizational, verbal, and written communication skills. The capacity to function in a fast-paced, growing organization is vital. The ideal person is flexible and positive and has a sense of humor. Demonstrated ability to communicate effectively and work collaboratively with diverse audiences is necessary.

Appendix J:

Why Financial Institutions Want to Partner with AFI Projects

The Corporation for Enterprise Development, in *The Individual Development Account Program Design Handbook: A Step-by-Step Guide to Designing an IDA Program[1],* offers the following selling points to underscore when recruiting a financial institution partner:

Publicity and public relations. Banks and credit unions are in business with the public. A good reputation and strong name recognition are important assets. Participating in a well publicized and well run IDA program can generate both.

Deposit of matching funds. AFI matching funds in the Project Reserve Account are attractive deposits for financial institutions because they are generally large sums of money that involve little account activity (until program participants make qualified withdrawals) and are deposited for long periods.

New customer development. AFI Project participants are a source of new customers for financial institutions. Although IDA accounts themselves may not generate profits for a financial institution, successful IDA participants are likely to conduct more profitable business in the future at the financial institution with which they have already established a relationship through their involvement with an AFI Project**.**

Community commitment. Many financial institutions have a stated mission to serve and respond to the needs of their communities. IDAs are an ideal way for financial institutions to do this while operating within their own industry.

Generate other business. Participating in an AFI Project can lead to other forms of new business for financial institutions, whether from friends or relatives of an IDA participant or the finance departments of a sponsoring organizations or project partners.

Community Reinvestment Act credit. The Community Reinvestment Act, requires banks to invest in their communities. AFI Project involvement can count toward CRA credit. For more information on the Community Reinvestment Act and how it works, visit the Web site for the National Community Reinvestment Coalition, http://www.ncrc.org.

Also understand that some banks are eager to participate in AFI Projects, while others are not. You may need to approach multiple institutions before finding the right partner, or you may have more than one participating financial institution. It is possible to have one bank, for example, handling the Project Reserve Account, and one or more other banks holding participant IDAs. You would need specific and different agreements with each one, of course.

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[1] You may access this document at http//:www.cfed.org.

Appendix K:

Financial Institution Partner Agreements

The AFI program specifies some parameters that must be included in the agreement with the participating financial institution. Other elements are optional and foster smooth coordination of the financial and program functions of AFI projects. Following are suggested elements to include in agreements between AFI Projects and financial institution partners:

- Statement that the AFI Project Reserve Account will be maintained on deposit in the financial institution.

- Statement that the financial institution is Federally insured (preferable) or state insured.

- Details about how the IDA accounts will be established in the financial institution through written governing instruments, including the requirements for deposits (by cash, check, money order, or electronic transfer) and withdrawals (signature of the account holder and of a responsible official of the grantee required).

- Specific information on how, when, and where participant deposits will be made.

- Details on how and when matching contributions will be allocated for individual participants after enrollment and subsequently tracked in the Project Reserve Account.

- The rate(s) of interest to be paid on amounts in the Project Reserve Account (if it is an interest-bearing account) and on the amounts in participant IDAs.

- The rate and frequency of interest payments on accounts, including interest on the matching funds from the Project Reserve Account.

- Statement that the accounting procedures to be followed will conform to guidelines established by Office of Community Services.

- Details on the data and reports that will be furnished to the AFI Project concerning the Project Reserve Account and IDA accounts, such as monthly balances and distribution of interest.

- Explanation of the nonfederal cash contribution or other financial commitment, if any, being made by the financial institution for deposit in the Project Reserve Account or elsewhere, and the schedule of deposits of such contribution(s).

- Explanation of other services to be provided by the financial institution(s) specific to the project, such as financial education, waiver of customary fees, favorable pricing on fees, location of services or financial institution personnel in community facilities, or assistance in the recruitment and support of AFI Project participants in the pursuit of project goals.

- Name of primary financial institution representative with whom the project representative will communicate concerning any challenges or changes that may become necessary.

- A time frame for the agreement and a process for making changes if needed.

There is only one Project Reserve Account, but there may be multiple financial institutions holding participant IDA accounts. Here is one example of a financial institution partner agreement that incorporates many of these suggested elements.

Sample Financial Institution Partner Agreement

Keep in mind that this is just a sample. The financial institution (bank or credit union) may be willing to accept all of these provisions, but some will not. Be ready to modify this to make it work. Do not let lack of cooperation from a bank become a barrier to your project design.

(Note: On these sample forms, the term "AFI Project Agency" refers to the grantee. The term "AFI Project" refers to the grantee's IDA initiative. You probably will want to replace that term with the grantee organization's name and/or the name of its IDA initiative.)

Name of Bank is making a nonfederal cash contribution as well as an in-kind contribution to the AFI Project Agency**.** The details of this commitment are as follows:

1. Name of Bank shall hold a Project Reserve Account, in the name of AFI Project, which shall include both the nonfederal cash contribution and the Federal grant funds.

2. Name of Bank agrees to deposit, as soon after receipt as is practicable, into the Project Reserve Account all funds provided to our bank from public or private sources in connection with the AFI Project and any investment proceeds from the Project Reserve Account.

3. The Reserve Fund shall accrue interest on a monthly basis at a rate of ___%.

4. Each IDA savings account shall be opened when an approved AFI participant comes to a designated location (street address of Name of Bank) and presents an account form, signed by the applicant and the AFI Project coordinator, and an initial deposit of at least $___ to a teller or bank manager. The account form shall include the participant's name, address, telephone numbers, Social Security number, asset goal, total savings goal, monthly savings goal, and method of payment (cash, check, money order, or electronic transfer).

5. The IDA savings accounts shall be regular interest-bearing savings accounts, held in the name of the participant, and shall accrue interest on a monthly basis at ___% (subject to change due to periodic rate adjustments made by the bank at its discretion and with prior written notice to the AFI Project).

6. After the IDA account is opened, participants who make deposits by check or money order may make deposits at any Name of Bank location by coming in or mailing the deposit. Cash deposits can be made at any location but may not be mailed. Deposits must be made before 4 p.m. on the last working day of the month; otherwise, the deposit shall be reflected on the next month's statement.

7. A participant must present an AFI Project authorized withdrawal form, signed by the participant and AFI Project coordinator before the participant's share and match share will be issued to the designated third party toward an authorized withdrawal. This form shall include the name of the vendor to whom the cashier's checks will be written and the accurate amounts of the participant's share and the match share plus interest earned.

8. The AFI Project agency shall be responsible for tracking all monthly matches and interest accrued to each participant. Since all matching funds are held in the Project Reserve Account, the matching funds plus interest accrued will be issued from the bank only when a participant supplies a completed authorized withdrawal form to the bank and only for the amount stated on that form.

AFI Project Builder Appendices

9. Name of Bank shall supply AFI Project agency, free of charge, with a monthly statement or spreadsheet reflecting the deposits, withdrawals, and interest accrued in both the Project Reserve Account and participants' IDA accounts. Each participant shall receive, free of charge, a monthly or quarterly statement, which shall include their deposits, withdrawals, and interest accrued...

10. Name of Bank is making a nonfederal cash commitment to the AFI Project, contingent upon award of an AFI grant, of $_____ to match the Federal AFI grant funds. The funds shall be contributed as follows: $_____ in 200_, $_____ first quarter 200_, $____ first quarter 200_, and $____ first quarter 200_.

11. In addition to the donated funds, Name of Bank shall also provide trained bank employees to assist with financial education, which is an estimated in-kind value of $_____ per hour per employee. Name of Bank shall implement staff training and policy and procedure development for IDA accounts at an estimated in-kind value of $_____. The bank will allow AFI Project agency to use the conference rooms during or after business hours at an estimated rate of $____ an hour as in-kind. Name of Bank also commits to waive fees customarily associated with opening savings accounts and monthly service fees for an interest-bearing savings account for the Project Reserve Account and the IDAs, which is an estimated in-kind value of $_____ for approximately ___ participants.

12. In addition to the nonfederal cash contribution, the total in-kind estimates are valued at $_____ over the next five years.

13. Name of Bank complies with FDIC accounting regulations, reporting quarterly and annually, and will comply with any additional financial reporting requirements of the Office of Community Services. AFI Project agency follows government auditing standards: OMB circular A–110 (Uniform Administrative Requirements for Grants and Agreements for Non-Profit Organizations) and A–122 (Cost Principles for Non-Profit Organizations).

14. This agreement shall be effective from the beginning date of the AFI Project Agency's grant award through the closing date of the project period specified in the award, unless modified by consent of Name of Bank and AFI Project Agency.

15. Other terms of this agreement may be modified by consent of both Name of Bank and AFI Project Agency.

16. All terms shall be consistent with the laws applicable in this State and with AFI policies as described in the Assets for Independence Act or other guidance issued by the Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services.

_____   _____

Signature: Authorized Financial Institution   Date

_____   _____

Signature: AFI Project Agency   Date

AFI Project Builder Appendices

Appendix L:

Nonfederal Share Commitment Letters

Nonfederal share commitment letters demonstrate to OCS that an AFI applicant has the required amount of nonfederal funding (at least equal to the amount of Federal money requested). Applicants must include letters or documents confirming these commitments with their applications for AFI grants. There is no preferred format for these letters or documents. They simply must indicate the amount of funds committed and be signed by authorized representatives.

In addition, it is helpful to include a clear statement about the proposed uses of the donated funds. This helps to ensure that the nonfederal funders, the applicant organization, and the AFI Program staff will understand the proposed project budget. Are funds to be applied to match the total Federal request, and thus to be allocated in the same proportions between participant matches and operational costs, or are any funds restricted in use. For example, funders sometimes agree to support only homeownership, or small business, or education, or only participant matches and not operational costs. There may be multiple sources of nonfederal funds that together equal the amount of the Federal request. It is not necessary to document in-kind support for the AFI proposal, though you may wish to do so for other purposes. Below are examples of AFI Project nonfederal cash contribution letters of commitment.

SAMPLE NONFEDERAL SHARE AGREEMENT # I

(Note: In this example, the term "AFI Project Agency" refers to the grantee. The term "AFI Project" refers to the grantee's IDA initiative. You probably will want to replace that term with the grantee organization's name and/or the name of its IDA initiative.)

Name of the Nonfederal Funder has awarded $(*total amount*) to the AFI Project Agency to support the implementation of their AFI Project Individual Development Account Program. Name of the Nonfederal Funder will provide $_____ to support the overall project.

Name of the Nonfederal Funder empowers AFI Project to commit $_____ of the total award for funding under the Assets for Independence Demonstration Program. These funds are to be used exclusively to support the AFI Project.

These funds will be disbursed as necessary, and in accordance with the approved funding application submitted to Name of the Nonfederal Funder when the AFI Project application to the Assets for Independence Program is funded.

_____   _____

Signed by Official of Name of the Nonfederal Funder   *Date*

_____   _____

AFI Project Agency *Representative*   *Date*

SAMPLE NONFEDERAL SHARE AGREEMENT #2

Name of the Nonfederal Funder has committed $_____ to the AFI Project Agency for support of its Asset Building Program. On (*date*), Name of the Nonfederal Funder delivered to AFI Project Agency staff $_____of these funds. The remaining funds will be delivered in Year Two of this program, by (*date*). Name of the Nonfederal Funder has provided $_____in match dollars for homeownership accounts. The remaining funds, $_____, will be used to support project administration and evaluation.

Name of the Nonfederal Funder empowers AFI Project Agency to commit $_____ of the match funds for the purposes of the AFI Project application for funding to the Assets for Independence Demonstration Program.

In addition, Name of the Nonfederal Funder will provide in-kind services appropriate to support the program, such as assistance with economic literacy classes, financial mentors for participants, assistance with homeownership trainings, and training on home mortgages.

Name of the Nonfederal Funder is pleased to support the efforts of AFI Project Agency as they begin the pioneering work of providing economic literacy and asset building opportunities for low-income individuals of (*community name*).

_____   _____
Signed by Official of Name of the Nonfederal Funder   *Date*

_____   _____
AFI Project Agency *Representative*   *Date*

APPENDIX M:

Program Announcement – Published February 2005 with amendments published November 2005 and May 2006

This is an unofficial version of the AFI program announcement published on February 9, 2005 with amendments published on November 17, 2005 and May 9, 2006. Please view and download the official program announcement from the AFI program website at http://www.acf.hhs.gov/assetbuilding

The official AFI Program announcement as published on February 9, 2005, and including two subsequent amendments. The first amendment, which was published on November 17, 2005 established a "received by" due date. The second amendment, published on May 9, 2006, eliminated the June 15, 2006 due date and created a July 18, 2006 due date: this revised date applied only for 2006.

The following is an unofficial version because it includes notes that point out the changes made by the May 9, 2006 amendments.

This is a copy of the AFI Program announcement as published on February 9, 2005, and including two subsequent amendments. The first amendment, which was published on November 17, 2005 established a "received by" due date. The second amendment, published on May 9, 2006, eliminated the June 15, 2006 due date and created a July 18, 2006 due date.

Funding Opportunity Title: Assets for Independence Demonstration Program

Announcement Type: Grant-Initial

Funding Opportunity Number: HHS-2005-ACF-OCS-EI-0053

CFDA Number: 93.602

Category of Funding Activity:

Income Security and Social Services

Executive Summary:

The Administration for Children and Families, Office of Community Services (OCS) will accept applications for financial assistance to establish and administer Assets for Independence (AFI) Projects. These projects assist low-income people in becoming economically self-sufficient. They do so by teaching project participants about economic and consumer issues and enabling them to establish matched savings accounts called Individual Development Accounts (IDA) in order to save for a first home, a business or higher education. Grantees must participate in an on-going national evaluation of the impact of AFI Projects and IDAs.

This is a standing announcement. It is effective until canceled or changed by the Office of Community Services. Applicants may submit applications at any time throughout the year. OCS will review and make funding decisions about applications submitted by any of three due dates: March 15, June 15 and November 1. (If a date falls on a weekend, the due date will be the following Monday.) For example, starting in mid-March annually, OCS will review all applications submitted November 2 through March 15. Starting in early June, OCS will review all applications submitted March 16 through June 15. And, starting in early November, OCS will review all applications submitted June 16 through November 1. Unsuccessful applicants may submit a new application in any succeeding application period.

NOTE: The May 9, 2006 amendment eliminated the June 15, 2006 due date and created a new due date of July 18, 2006. The amendment is relevant only for organizations that submit applications in 2006.

Grantees must comply with terms of the Assets for Independence Act (AFIA) (Title IV of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, as amended, P.L. 105-285, 42 USC 604 note) in submitting an application and administering an AFI Project.

The OCS Asset Building website (at http://www.acf.hhs.gov/assetbuilding) includes information about the AFI Program. The website presents a wealth of ideas and suggestions for developing and managing an AFI Project. In particular, it includes downloadable text of the AFI Act and a synopsis of grantee responsibilities imposed by the Act. It also features a downloadable guidebook, The *AFI Project Builder* that covers many topics and includes suggestions and best practices for planning, starting and implementing an AFI Project. Applicants can visit the website to obtain more in-depth information regarding the requirements for applying for and implementing an AFI Project.

Priority Area 1

I. Funding Opportunity Description

The Administration for Children and Families, Office of Community Services (OCS) will accept applications for financial assistance to establish and administer Assets for Independence (AFI) Projects. These projects assist low-income people in becoming economically self-sufficient. They do so by teaching project participants about economic and consumer issues and enabling them to establish matched savings accounts called Individual Development Accounts (IDA) in order to save for a first home, a business or higher education. Grantees must participate in an on-going national evaluation of the impact of AFI Projects and IDAs.

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The OCS Asset Building website (at http://www.acf.hhs.gov/assetbuilding) includes additional information about the AFI Program. The website includes a wealth of ideas and suggestions for developing and managing an AFI Project. In particular, it includes downloadable text of the AFI Act and a synopsis of grantee responsibilities imposed by the Act. It also features a downloadable guidebook, *The AFI Project Builder* that covers many topics and includes suggestions and best practices for planning, starting and implementing an AFI Project. Applicants can visit the website to obtain more in-depth information regarding the requirements for applying for and implementing and AFI Project.

Program Purpose and Scope

The purpose of the Assets for Independence Program is to demonstrate and evaluate the effectiveness of asset-building projects that assist low-income people in becoming economically self-sufficient by teaching them about economic and consumer issues and enabling them to establish matched savings accounts called Individual Development Accounts (IDA). The program is demonstrating and evaluating the effects of AFI projects and IDAs in terms of increasing the economic self-sufficiency of low-income families; promoting savings for first-time homeownership, post-secondary education, and small business or micro-enterprise development; and stabilizing and improving families and communities.

OCS seeks to support innovative AFI Projects administered by national, State-wide, regional and community-based organizations. Organizations that may apply include, but are not limited to, Community Action Agencies; community development corporations; financial institutions such as banks, credit unions, and community development financial institutions; faith-based and community organizations; State and local government agencies; and other organizations such as marriage strengthening coalitions; service and fraternal organizations; schools, colleges and universities; and consortia or groups of organizations that collaborate to administer an AFI Project.

A broad range of organizations may be eligible for AFI Project funding, including the following:

– Organizations with projects that serve communities and groups that are less represented among the current AFI Projects such as residents of rural areas and Native American individuals or communities.
-- Organizations with projects involving schools, colleges or universities to provide services to youth who are saving to attend higher education.
-- Organizations with projects involving area businesses to provide services to the employees of those businesses. This may include local government agencies that seek to provide an IDA benefit for their employees.
-- Organizations with projects involving the agency that manages the local welfare (Temporary Assistance for Needy Families -- TANF) program; other offices that manage employment, education, and training initiatives; and agencies that manage child support enforcement.
-- Organizations with projects administered by a consortium or network of organizations including a lead organization and one or more subsidiary organizations. In this arrangement, a lead organization receives the OCS funding and administers the overall AFI Project including the financial accounting services for the project, while the subsidiary organizations provide services to project participants in a defined locality or a certain target population in a region, State, city or other geographic area. OCS believes such consortia or network arrangements may be particularly cost effective and efficient.
-- Organizations with projects involving family strengthening coalitions and related organizations in an effort to integrate asset-building work with activities that promote healthy marriage and family formation. These activities may include, for example, communication skills training, marriage-oriented financial education, family budgeting, and marriage enrichment training. The goal for integrating asset building with healthy marriage projects is to link financial education with family budgeting abilities and marital communication skills that help to strengthen families and improve the communities in which families live.

OCS encourages and will provide preference to applicants that:

-- Propose projects that will enroll participants from households with children;
-- Propose projects that will enroll individuals residing within relatively well-defined   neighborhoods or communities that experience high rates of poverty or unemployment; or
-- Propose projects with a proportionally greater amount of funds committed from private sector sources.

II. Award Information

Funding Instrument Type: Grant
Anticipated total priority area funding: $18,000,000
Anticipated number of awards: 50 to 60
Average Projected Award Amount per project period: $327,273
Length of Project Periods: Other
Explanation of other:
5 year (60 months) project period with 5 year (60 months) budget period.
Ceiling of Individual Awards per project period: $1,000,000

Floor on amount of individual awards per project   None
period:

III. Eligibility Information

1. Eligible Applicants:

State governments
County governments
City or township governments
Special district governments

Independent school districts
State controlled institutions of higher education
Native American tribal governments (Federally recognized)
Public Housing authorities/Indian housing authorities
Native American tribal organizations (other than Federally recognized tribal governments)
Non-profits having a 501(c)(3) status with the IRS, other than institutions of higher education

Additional Information on Eligibility:

Both Faith and Community-based organizations having 501(c)(3) status with the Internal Revenue Service are eligible to apply.

State, Tribal, County, or local governments; school districts; public housing authorities; and other governments or agencies are eligible only as joint-applicants with a non-profit organization having 501(c) (3) status.

Low-Income Credit Unions and Community Development Financial Institutions are eligible only if they demonstrate a strong collaborative relationship with one or more local community-based organization(s) that seek to address poverty and the economic needs of community residents. Such community-based organizations may be any number of types of entities such as philanthropic foundations, community foundations, for-profit organizations, or non-profit organizations. If a non-profit, they are not required to have 501(c)(3) status.

Applicant Low-Income Credit Unions and Community Development Financial Institutions may be a subsidiary of or otherwise affiliated with a State, local or Tribal government, or any non-profit or for-profit organization.

Applicant Low-Income Credit Unions must submit official documentation that the National Credit Union Administration has designated the organization as such. For information about Low-Income Credit Unions, see http://www.ncua.gov .

Applicant Community Development Financial Institutions must submit official documentation that the U. S. Department of the Treasury has designated the organization as such. For information about Community Development Financial Institutions, go to http://www.cdfifund.gov

Applications submitted by joint applicants, for example, by a State, local or Tribal government agency and a non-profit organization, must clearly identify the organizations that are the joint applicants. The required Standard Form 424 "Application for Federal Assistance" must be signed by an authorized representative of the one joint applicant that will be responsible for grant administration and AFI Project implementation. The responsible applicant may be either the government agency or the non-profit organization.

Current AFI Project grantees may submit funding applications for new five-year projects. They will be reviewed competitively with all other applications.

Please see Section IV. for required documentation supporting eligibility and/or funding restrictions.

2. **Cost Sharing/Matching:**

Cost Sharing/Matching: Yes

MATCHING/COST-SHARING

Grantees are required to meet a non-Federal share of project costs in accordance with Section 406(b) of the Assets for Independence Act. Grantees must provide at least 50 percent of the total approved cost of the project. The total approved cost of the project is the sum of the ACF share and the non-Federal share. The non-Federal share may be met by cash contributions only. Therefore, a project requesting $ 350,000 in Federal funds (based on an award of $350,000 per budget period) must provide a match of at least $350,000 (50 percent of the total approved project costs). Grantees will be held accountable for commitments of non-Federal resources even if

over the amount of the required match. Failure to provide the amount will result in disallowance of Federal funds. Lack of supporting documentation at the time of application will not impact the responsiveness of the application for competitive review.

Please note however that although applications that fail to provide such documentation at the time of application submission will not be barred from competitive review, matching/cost sharing will be used as an evaluation and/or preference criterion. Please see Section I. *Funding Opportunity Description* for a description of the matching/cost share requirement as a preference criterion. Please also see Section V.1 *Budget and Budget Justification* for the specific matching/cost sharing criterion that will be evaluated to support this preference.

3. **Other:**

All applicants must have a Dun & Bradstreet Number. On June 27, 2003 the Office of Management and Budget published in the Federal Register a new Federal policy applicable to all Federal grant applicants. The policy requires all Federal grant applicants to provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements on or after October 1, 2003. The DUNS number will be required whether an applicant is submitting a paper application or using the government-wide electronic portal http://www.grants.gov/ . A DUNS number will be required for every application for a new award or renewal/continuation of an award, including applications or plans under formula, entitlement and block grant programs, submitted on or after October 1, 2003.

Please ensure that your organization has a DUNS number. You may acquire a DUNS number at no cost by calling the dedicated toll-free DUNS number request line on 1-866-705-5711 or you may request a number on-line at http://www.dnb.com.

Non-profit organizations applying for funding are required to submit proof of their non-profit status.

Proof of non-profit status is any one of the following:

- A reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS code.
- A copy of a currently valid IRS tax exemption certificate.
- A statement from a State taxing body, State Attorney General, or other appropriate State official certifying that the applicant organization has a non-profit status and that none of the net earnings accrue to any private shareholders or individuals.
- A certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status.
- Any of the items in the subparagraphs immediately above for a State or national parent organization and a statement singed by the parent organization that the applicant organization is a local non-profit affiliate.

(THE ONLY APPLICABLE METHODS FOR THE ASSETS FOR INDEPENDENCE PROGRAM ARE THE FIRST AND SECOND BULLETED ITEMS. THE APPLICANT SHOULD DISREGARD THE OTHER AREAS LISTED.)

When applying electronically we strongly suggest that you attach proof of non-profit status with your electronic application.

Private, non-profit organizations are encouraged to submit with their applications the survey located under "Grant Related Documents and Forms," "Survey for Private, Non-Profit Grant Applicants," titled, "Survey on Ensuring Equal Opportunity for Applicants," at: www.acf.hhs.gov/programs/ofs/forms.htm.

Disqualification Factors

Applications that exceed the ceiling amount will be considered non-responsive and will not be eligible for funding under this announcement.

Any application post-marked after 4:30 p.m. eastern time on the deadline date will not be considered for competition.

IV. Application and Submission Information

1. Address to request application package:

Office of Community Services
ATTN: Assets for Independence Program
370 L'Enfant Promenade, S.W. #500 West
Washington, DC 20447
Phone: 202-401-4626
Fax: 202-401-5718
Email: afiprogram@acf.hhs.gov
URL: http://www.acf.hhs.gov/grants/open/HHS-2005-ACF-OCS-EI-0053.html

2. Content and Form of Application Submission:

Application Format

You may submit your application in either electronic or paper format.

To submit an application electronically, please use the www.Grants.gov/Apply site. If you use Grants.gov, you will be able to download a copy of the application package, complete it off-line, and then upload and submit the application via the Grants.gov site. ACF will not accept grant applications via e-mail or facsimile transmission.

Please note the following if you plan to submit your application electronically via Grant.gov*:*

- Electronic submission is voluntary.
- When you enter the Grants.Gov site, you will find information about submitting an application electronically through the site, as well as the hours of operation. We strongly recommend that you do not wait until the application deadline to begin the application process through Grants.Gov.
- We recommend you visit Grants.Gov at least 30 days prior to filling your application to fully understand the process and requirements. We encourage applicants who submit electronically to submit well before the closing date and time so that if difficulties are encountered an applicant can still send in a hard copy overnight. If you encounter difficulties, please contact the Grants.Gov Help Desk at 1-800-518-4726 to report the problem and obtain assistance with the system.
- To use Grants.Gov you as the applicant, must have a DUNS Number and register in the Central Contact Registry (CCR). You should allow a minimum of five days to complete the CCR registration.
- You will not receive additional point value because you submit a grant application in electronic format, nor will we penalize you if you submit an application in paper format.
- You may submit all documents electronically, including all information typically included on the SF 424 and all necessary assurances and certifications.
- You application must comply with any page limitation requirements described in the program announcement.
- After you electronically submit your application, you will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number. The Administration for Children and Families will retrieve your application from Grant.gov.
- We may request that you provide original signatures on forms at a later date.
- You may access the electronic application for this program on www.grants.gov.
- You must search for the downloadable application package by the CFDA number.

An original and two copies of the complete application are required. The original and each of the two copies must include all required forms, certifications, assurances, and appendices, be signed by an authorized representative, have original signatures, and be submitted unbound.

Private, non-profit organizations are encouraged to submit with their applications the survey located under "Grant Related Documents and Forms," "Survey for Private, Non-Profit Grant Applicants," titled, "Survey on Ensuring Equal Opportunity for Applicants," at: www.acf.hhs.gov/programs/ofs/forms.htm.

Number of Pages in Application Package

Please number all application pages sequentially, beginning with the proposal abstract as page number one. Include page numbers for supplemental documents including appendices. Please do not include organizational brochures or other promotional materials, slides, films, newspaper clips, and so forth.

Applications should be thorough yet concise. We suggest up to 40 pages for the table of contents, project abstract and project narrative, and any number of additional pages for required standard forms, assurances, certifications, disclosures, appendices, and supplemental documents.

Proof of Non-Profit Status

Non-profit organizations applying for funding are required to submit proof of their non-profit status.

Proof of non-profit status is any one of the following:

- A reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS code.
- A copy of a currently valid IRS tax exemption certificate.
- A statement from a State taxing body, State Attorney General, or other appropriate State official certifying that the applicant organization has a non-profit status and that none of the net earnings accrue to any private shareholders or individuals.
- A certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status.
- Any of the items in the subparagraphs immediately above for a State or national parent organization and a statement singed by the parent organization that the applicant organization is a local non-profit affiliate.

(THE ONLY APPLICABLE METHODS FOR THE ASSETS FOR INDEPENDANCE PROGRAM ARE THE FIRST AND SECOND BULLETED ITEMS. THE APPLICANT SHOULD DISREGARD THE OTHER AREAS LISTED.)

Proof of Low Income Credit Union Status

Applicant Low-Income Credit Unions must submit official documentation that the National Credit Union Administration has designated the organization as such. For information about Low-Income Credit Unions, see http://www.ncua.gov .

Proof of Community Development Financial Institution Status

Applicant Community Development Financial Institutions must submit official documentation that the U. S. Department of the Treasury has designated the organization as such. For information about Community Development Financial Institutions, go to http://www.cdfifund.gov

Standard Forms and Certifications

The project description should include all the information requirements described in the specific evaluation criteria outlined in the program announcement under Section V Application Review Information. In addition to the project

description, the applicant needs to complete all the standard forms required for making applications for awards under the announcement.

Applicants seeking financial assistance under this announcement must file the Standard Form (SF) 424, Application for Federal Assistance; Standard Form 424A. Budget Information-Non-Construction Programs; Standard Form 424B, Assurances: Non-Construction Programs. The forms may be reproduced for use in submitting applications. Applicants must sign and return the standard forms with their application.

Applicants must furnish prior to award an executed copy of the Standard Form LLL, Certification Regarding Lobbying, when applying for an award in excess of $100,000. Applicants who have used non-Federal funds for lobbying activities in connection with receiving assistance under this announcement shall complete a disclosure form, if applicable, with their applications (approved by the Office of Management and Budget under control number 0348-0046). Applicants must sign and return the certification with their application.

Applicants must also understand that they will be held accountable for the smoking prohibition included within P.L. 103-227. Title XII Environmental Tobacco Smoke (also known as the PRO-KIDS ACT of 1994). A copy of the Federal Register notice which implements the smoking prohibition is included with forms. By signing and submitting the application, applicants are providing certification and need not mail back the certification with the application.

Applicants must make the appropriate certification of their compliance with all Federal statutes related to nondiscrimination. By signing and submitting the applications, applicants are providing certification and need not mail back the certification form. Complete the standard forms and the associated certifications and assurances based on the instructions on the forms. The forms and certifications may be found at www.acf.hhs.gov/programs/ofs/forms.htm .

Please see **Section V.1. Criteria**, for instructions on preparing the full project description.

3. Submission Dates and Times:

Explanation of Due Dates

The closing time and date for *receipt* of applications is referenced above. Applications *received* after 4:30 p.m., eastern time, on the closing date will be classified as late and will not be considered in the current competition.

Applicants are responsible for ensuring that applications are mailed or submitted electronically well in advance of the application due date.

(Applicants are cautioned that express/overnight mail services do not always deliver as agreed.)

Applicants hand carried by applicants, applicant couriers, or by other representatives of the applicants shall be considered as meeting an announced deadline if they are received on or before the deadline date, between the hours of 8:00 a.m. and 4:30 p.m., e.t., at the address referenced in Section IV.6., between Monday and Friday (excluding Federal holidays). Applicants are cautioned that express/overnight mail services do not always deliver as agreed.

ACF cannot accommodate transmission of applications by fax. Therefore, applications transmitted to ACF by fax will not be accepted regardless of date or time of submission and time of receipt.

Late applications: Applications which do not meet the criteria above are considered late applications. ACF shall notify each late applicant that its application will not be considered in the current competition.

Extension of deadlines: ACF may extend application deadlines when circumstances such as acts of God (flood, hurricanes, etc.) occur, or when there are widespread disruptions of mail service, or in other rare cases. Determination to extend or waive deadline requirements rest with the Chief Grants Management Officer.

Checklist:

You may use the checklist below as a guide when preparing your application package.

What to submit	Required Content	Required Form or Format	When to submit
Project Abstract	See Section IV and V.	Format described in IV and V.	By application due date
Project Narrative	See Section IV and V.	Format described in IV and V.	By application due date
Budget Narrative/Justification	See Section IV and V.	Format described in IV.2 and V.	By application due date.
SF424	See Section IV.	Format described in IV	By application due date.
SF424A	See Section IV.	Format described in IV	By application due date.
SF424B	See Section IV.	Format described in IV	By application due date.
Certification regarding lobbying	See Section IV.	Format described in http://www.acf.hhs.gov/programs/ofs/forms.htm	By Time of Award.
Certification regarding environmental tobacco smoke	See Section IV.	Format described in http://www.acf.hhs.gov/programs/ofs/forms.htm	By Time of Award.
Proof of Non-Profit Status	See Section III and IV.	Format described III and IV.	By Time of Award.
Proof of Low Income Credit Union Status (if applicable)	See Section III and IV.	Format described in III and IV.	By Time of Award
Proof of Community Development Financial Institution Status (if applicable)	See Section II and IV.	Format described in III and IV.	By Time of Award

Additional Forms:

Private, non-profit organizations are encouraged to submit with their applications the survey located under "Grant Related Documents and Forms," "Survey for Private, Non-Profit Grant Applicants," titled, "Survey on Ensuring Equal Opportunity for Applicants," at: www.acf.hhs.gov/programs/ofs/forms.htm.

What to submit	Required Content	Required Form or Format	When to submit
Survey for Private, Non-Profit Grant Applicants	Per required form	May be found at www.acf.hhs.gov/programs/ofs/form.htm	By application due date

4. Intergovernmental Review:

STATE SINGLE POINT OF CONTACT (SPOC)

This program is covered under Executive Order 12372, "Intergovernmental Review of Federal Programs," and 45 CFR Part 100, "Intergovernmental Review of Department of Health and Human Services Programs and Activities." Under the Order, States may design their own processes for reviewing and commenting on proposed Federal assistance under covered programs.

As of October 1, 2004, the following jurisdictions have elected to participate in the Executive Order process: Arkansas, California, Delaware, District of Columbia, Florida, Georgia, Illinois, Iowa, Kentucky, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, North Dakota, Rhode Island, South Carolina, Texas, Utah, West Virginia, Wisconsin, American Samoa, Guam, North Mariana Islands, Puerto Rico, and Virgin Islands. As these jurisdictions have elected to participate in the Executive Order process, they have established SPOCs. Applicants from participating jurisdictions should contact their SPOC, as soon as possible, to alert them of prospective applications and receive instructions. Applicants must submit all required materials, if any, to the SPOC and indicate the date of this submittal (or the date of contact if no submittal is required) on the Standard Form 424, item 16a. Under 45 CFR 100.8(a)(2).

A SPOC has 60 days from the application deadline to comment on proposed new or competing continuation awards. SPOCs are encouraged to eliminate the submission of routine endorsements as official recommendations. Additionally, SPOCs are requested to clearly differentiate between mere advisory comments and those official State process recommendations which may trigger the "accommodate or explain" rule.

When comments are submitted directly to ACF, they should be addressed to the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Grants Management, Division of Discretionary Grants, 370 L'Enfant Promenade SW., 4th floor, Washington, DC 20447.

Although the remaining jurisdictions have chosen not to participate in the process, entities that meet the eligibility requirements of the program are still eligible to apply for a grant even if a State, Territory, Commonwealth, etc. does not have a SPOC. Therefore, applicants from these jurisdictions, or for projects administered by federally-recognized Indian Tribes, need take no action in regard to E.O. 12372.

The official list, including addresses, of the jurisdictions elected to participate in E.O. 12372 can be found on the following URL: http://www.whitehouse.gov/omb/grants/spoc.html.

A list of the Single Points of Contact for each State and Territory is included with the application materials for this announcement.

5. Funding Restrictions:

Grant awards will not allow reimbursement of pre-award costs.

Grantees must comply with terms of the Assets for Independence Act (AFIA) (Title IV of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, as amended, P.L. 105-285, 42 USC 604 note) in submitting an application and administering an AFI Project. Prior to award of project funds, OCS may communicate with potential grantees to ensure that the proposed projects conform to the AFI.

Due to statutory limitations, OCS may not award any single AFI Program grant of more than $1,000,000.00.

6. Other Submission Requirements:

Submission by Mail: An applicant must provide an original application with all attachments, signed by an authorized representative and two copies. Please see Section IV.3 for an explanation of due dates. Applications should be mailed to:

Office of Community Services Operations Center
Assets for Independence Program
1515 Wilson Blvd, Suite 100
Arlington, VA 22209
Attention: Administration for Children and Families, Office of Community Services, Assets for Independence Program

Hand Delivery: An applicant must provide an original application with all attachments signed by an authorized representative and two copies. Please see Section IV.3 for an explanation of due dates. Applications should be delivered to:

Office of Community Services Operations Center
Assets for Independence Program
1515 Wilson Blvd, Suite 100
Arlington, VA 22209
Attention: Administration for Children and Families, Office of Community Services, Assets for Independence Program

Electronic Submission: http://www.grants.gov/ Please see Section **IV. 2** *Content and Form of Application Submission*, for guidelines and requirements when submitting applications electronically.

V. Application Review Information

The Paperwork Reduction Act of 1995 (P.L. 104-13)
Public reporting burden for this collection of information is estimated to average 30 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed and reviewing the collection information.

The project description is approved under OMB control number 0970-0139 which expires 4/30/2007.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The following are instructions and guidelines on how to prepare the "Project Summary / Abstract" and "Full Project Description" sections of the application. Under the evaluation criteria section, note that each criterion is preceded by the generic evaluation requirement under the ACF Uniform Project Description (UPD).

1. Criteria:

PROJECT SUMMARY/ABSTRACT

Provide a summary of the project description (a page or less) with reference to the funding request.

OBJECTIVES AND NEED FOR ASSISTANCE

Clearly identify the physical, economic, social, financial, institutional, and/or other problem(s) requiring a solution. The need for assistance must be demonstrated and the principal and subordinate objectives of the project must be clearly stated; supporting documentation, such as letters of support and testimonials from concerned interests other than the applicant, may be included. Any relevant data based on planning studies should be included or referred to in the endnotes/footnotes. Incorporate demographic data and participant/beneficiary information, as needed. In developing the project description, the applicant may volunteer or be requested to provide information on the total range of projects currently being conducted and supported (or to be initiated), some of which may be outside the scope of the program announcement.

RESULTS OR BENEFITS EXPECTED

Identify the results and benefits to be derived.

APPROACH

Outline a plan of action that describes the scope and detail of how the proposed work will be accomplished. Account for all functions or activities identified in the application. Cite factors that might accelerate or decelerate the work and state your reason for taking the proposed approach rather than others. Describe any unusual features of the project such as design or technological innovations, reductions in cost or time, or extraordinary social and community involvement. Provide quantitative monthly or quarterly projections of the accomplishments to be achieved for each function or activity in such terms as the number of people to be served and the number of activities accomplished.

When accomplishments cannot be quantified by activity or function, list them in chronological order to show the schedule of accomplishments and their target dates. If any data is to be collected, maintained, and/or disseminated, clearance may be required from the U.S. Office of Management and Budget (OMB). This clearance pertains to any "collection of information that is conducted or sponsored by ACF." List organizations, cooperating entities, consultants, or other key individuals who will work on the project along with a short description of the nature of their effort or contribution.

EVALUATION

Provide a narrative addressing how the conduct of the project and the results of the project will be evaluated. In addressing the evaluation of results, state how you will determine the extent to which the project has achieved its stated objectives and the extent to which the accomplishment of objectives can be attributed to the project. Discuss the criteria to be used to evaluate results, and explain the methodology that will be used to determine if the needs identified and discussed are being met and if the project results and benefits are being achieved. With respect to the conduct of the project, define the procedures to be employed to determine whether the project is being conducted in a manner consistent with the work plan presented and discuss the impact of the project's various activities on the project's effectiveness.

ORGANIZATIONAL PROFILES

Provide information on the applicant organization(s) and cooperating partners, such as organizational charts, financial statements, audit reports or statements from CPAs/Licensed Public Accountants, Employer Identification Numbers, names of bond carriers, contact persons and telephone numbers, child care licenses and other documentation of professional accreditation, information on compliance with Federal/State/local government standards, documentation of experience in the program area, and other pertinent information. If the applicant is a non-profit organization, submit proof of non-profit status in its application. The non-profit agency can accomplish this by providing: a) a reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS Code; b) a copy of a currently valid IRS tax exemption certificate, c) a statement from a State taxing body, State attorney general, or other appropriate State official certifying that the applicant organization has a non-profit status and that none of the net earnings accrue to any private shareholders or individuals; d) a certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status, e) any of

the items immediately above for a State or national parent organization and a statement signed by the parent organization that the applicant organization is a local non-profit affiliate.

BUDGET AND BUDGET JUSTIFICATION

Provide a budget with line item detail and detailed calculations for each budget object class identified on the Budget Information form. Detailed calculations must include estimation methods, quantities, unit costs, and other similar quantitative detail sufficient for the calculation to be duplicated. Also include a breakout by the funding sources identified in Block 15 of the SF-424. Provide a narrative budget justification that describes how the categorical costs are derived. Discuss the necessity, reasonableness, and allocability of the proposed costs.

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Evaluation Criteria:

Members of proposal review panels will score applications based on the following criteria, some of which include factors and sub-factors.

APPROACH   50 points

Factor: Work Plan and Timeline (25 points)

   The extent to which the applicant provides a clear work plan for day-to-day operations, including responsibilities of the applicant and those of all participating organizations and financial institutions. The extent to which the work plan describes all significant activities anticipated for the entire 60-month project period such as: a) Selecting and training key staff for the project; b) Developing strong collaborations with key government agencies, faith-based organizations, and non-profit and for-profit organizations that will support the overall asset-building strategy; c) Establishing and maintaining the Project Reserve Account; d) Developing protocols for managing the Project Reserve Account including a system for allocating interest income for project administration and to project participants; e) Establishing strong working relationships with one or more financial institution(s) that will participate in the project; f) Reaching out to community residents, employers, and other key institutions about asset-building strategies in general and the IDA program in particular; g) Recruiting, screening, and selecting project participants; h) Determining the unique needs of each participant or group of participants including their needs for economic education, credit repair, and other assistance, as well as determining their particular strengths; i) Providing economic education, credit repair, asset-specific information and other training or supportive services to participants; j) Developing savings plans with participants and working with them to save accordingly; k) Providing payments to project participants' IDAs as match for savings; l)Establishing and maintaining IDAs for each participant including specific arrangements concerning the accounts with financial institutions or others; m) Assisting participants who have difficulty completing the economic education or abiding with the terms of their savings plan; n) Ensuring that participants use IDAs only as appropriate, including for emergency expenses; o) Ensuring that participants purchase an eligible, appreciable long-term asset within the program timeframes; p) Providing follow-up assistance to participants, if needed; q) Providing required financial and programmatic reports to OCS; r) Participating actively in the national evaluation of the demonstration program including providing data and other information as required; and s) Managing periodic internal program reviews concerning staffing, participant successes, and other issues to be addressed.

Factor: Tax Services (3 points)

   The extent to which the applicant proposes to provide tax preparation assistance and assistance for claiming refundable tax credits such as Federal and State Earned Income Tax Credit and the Child Tax Credit for project participants as part of the overall program.

Factor: IDA Match Rate (5 points)

   The extent to which the applicant proposes a clear and reasonable match rate or a menu of match rates for participants' IDAs that reflect the costs of eligible assets in the target community(ies).

Factor: Innovation (5 points)

The extent to which the applicant proposes any innovative strategies for vital program issues such as recruiting participants; working with local partners such as employers and financial institutions; enhancing financial education and financial literacy strategies; building partnerships with other organizations; using information technology, and so forth. The extent to which the applicant proposes a project that will be a component of other significant and comprehensive neighborhood change projects such as Empowerment Zone, Enterprise Community, Renewal Community projects, Weed and Seed projects, and so forth. The extent to which the applicant proposes a project that will integrate asset-building work with other related vital activities such as promoting healthy marriage and family formation as a means of achieving safety, permanency, and well-being for children and families.

Factor: Partners/Collaborations (12 points)

The extent to which the applicant provides a thorough and realistic plan for collaborating with an array of public and private organizations that will be involved in administering the project, describing the roles and responsibilities of each, their capacity to participate in this project, and the process for recruiting additional partners throughout the project period. If the applicant is the lead organization of a collaborative or group of organizations that will administer the project, the extent to which the applicant clearly describes its capacity and experience in managing multi-agency projects and the roles and responsibilities of each participating organization. The extent to which the applicant presents a well conceived partnership including documentation of a strong relationship with one or more Federally insured financial institution(s) where the Project Reserve Account and participant Individual Development Accounts will be established and maintained. The extent to which the applicant will secure cost-share funds from private sector sources.

ORGANIZATIONAL PROFILES   17 points

The extent to which the applicant provides clear and convincing information that it has the capacity and relevant experience in developing and operating successful programs or initiatives, including but not limited to efforts for addressing the causes and effects of poverty The extent to which the applicant identifies a Project Director and staff with relevant experience including specific experience with the target population, working with financial institutions and partners, and implementing successful asset-building approaches and IDA programs.

RESULTS OR BENEFITS EXPECTED   10 points

The extent to which the applicant presents clear outcome and output statements that indicate progress in achieving the objectives (as stated in the Objectives and Need for Assistance criteria section) for delivering asset-building services and affecting the economic status of project participants.

OBJECTIVES AND NEED FOR ASSISTANCE   10 points
Factor: Goal and Objectives Statements (5 points)

The extent to which the applicant presents clear program goal(s) supporting asset-building in general and IDAs in particular. The extent to which the applicant presents a small number of clear objective statements that describe anticipated targets or results of the project, such as the following three objectives that are linked to the national AFI Program goals: 1) The increase in the percentage of project participants who are homeowners; 2) The increase in the percentage of project participants who acquire postsecondary education; and 3) The increase in the percentage of project participants who create or expand a micro-enterprise. The extent to which the program goal(s) and objectives relate to the needs for assistance and strengths identified. The extent to which the applicant's goal (s) and objectives reflect a commitment to the AFI Program and IDAs as tools for reducing poverty.

Factor: Needs for Assistance and Strengths (5 points)

The extent to which the applicant clearly identifies the needs and strengths of the target population and community(ies) or neighborhood(s), in terms of the geographic area, potential participant income, and other compelling information such as demographics, savings/assets acquisition, or other factors. The extent to which the applicant proposes a well-conceived project that will target households with children. The extent to which the applicant proposes a well-conceived project that will enroll individuals residing within relatively well-defined neighborhoods or communities that experience high rates of poverty or unemployment.

BUDGET AND BUDGET JUSTIFICATION   5 points

The extent to which the applicant presents a clear and realistic budget and justification with reasonable amounts allocated for essential outcome-oriented activities such as program administration, economic education and other training and services for project participants. The extent to which the applicant presents clear evidence, in the form of letters or other documents, that the project will be supported with substantial amounts of non-federal cash funding (no less than the amount of the requested AFI Program grant).

EVALUATION   5 points

The extent to which the applicant presents a clear strategy for using an electronic information system to manage the overall project; to manage data about the status of project participants, their savings, and so forth; and to produce semi-annual and annual reports. The extent to which the applicant presents a clear commitment to participate actively in the national evaluation of the overall AFI Program by providing relevant and timely data to OCS and by collaborating with OCS on evaluation activities throughout the five-year project period.

PROJECT SUMMARY AND ABSTRACT (3 points)

The extent to which the applicant presents a clear one-page document that summarizes key features of the proposed project such as: goals and objectives; information about target community(ies); account structure and program design; partner organizations; locations of service sites; and non-federal funding and other support.

2. Review and Selection Process

Since ACF will be using non-Federal reviewers in the review process, applicants have the option of omitting from the application copies (not the original) specific salary rates or amounts for individuals specified in the application budget.

No grant award will be made on the basis of an incomplete application.

OCS Evaluation of Applications

Applications that comply with required procedures (e.g., those that are submitted timely by an eligible applicant) will be reviewed and rated by a panel based on the evaluation criteria stated in this announcement. OCS will make funding decisions based in part on the review panel scores and in part on other factors. The other factors may include: geographic distribution of AFI Projects; the applicant's record regarding timely and proper completion of federally-funded projects; audit and investigative findings and issues; the applicant's progress in resolving any final audit disallowance on Federal funding; and information collected during pre-award site visits by OCS staff or representatives of OCS.

OCS encourages and will provide preference to applicants that:

-Propose projects that will enroll participants from households with children;

-Propose projects that will enroll individuals residing within relatively well-defined neighborhoods or communities that

experience high rates of poverty or unemployment; or

-Propose projects with a proportionately greater amount of funds committed from private sector sources.

Please see Section V.1 for the specific evaluation criteria that relate to these preferences.

Approved but Unfunded Applications

In cases where more applications are approved for funding than ACF can fund with the money available, the Grants Officer shall fund applications in their order of approval until funds run out. In this case ACF has the option of carrying over approved applications up to a year for funding consideration in a later competition of the same program. These applications need not be reviewed and scored again if the program's evaluation criteria have not changed. However, they must then be placed in rank order along with other applications in later competition.

3. Anticipated Announcement and Award Dates:

ACF anticipates to award funds in the third and fourth quarters of the fiscal year.

VI. Award Administration Information

1. Award Notices:

The successful applicants will be notified through the issuance of a Financial Assistance Award document which sets forth the amount of funds granted, the terms and conditions of the grant, the effective date of the grant, the budget period for which support will be given, the non-Federal share to be provided, and the total project period for which support is contemplated. The Financial Assistance Award will be signed by the Grants Officer and transmitted via postal mail.

Organizations whose applications will not be funded will be notified in writing.

2. Administrative and National Policy Requirements:

45 CFR Part 74
45 CFR Part 92

Grantees are subject to the requirements in 45 CFR Part 74 (non-governmental) or 45 CFR Part 92 (governmental) organizations.

3. Reporting Requirements:

Programmatic Reports: Semi-Annually
Financial Status Reports: Semi-Annually

All grantees are required to submit semi-annual and annual program reports; grantees are also required to submit semi-annual and annual expenditure reports using the required financial standard report (SF-269) which can be found at the following URL: http://www.acf.hhs.gov/programs/ofs/forms.htm .

VII. Agency Contacts

Program Office Contact:

James Gatz
Manager, Assets for Independence Program
Office of Community Services
370 L'Enfant Promenade, S.W. Suite 500 West
Washington, DC 20008
Phone: 202-401-4626
Fax: 202-401-5718
Email: afiprogram@acf.hhs.gov

Grants Management Office Contact:

Barbara Ziegler Johnson
Office of Grants Management
Division of Discretionary Grants
370 L'Enfant Promenade, SW
Aerospace Building
Washington, DC 20447
Phone: 800-281-9519
Email: ocsgrants@acf.hhs.gov

VIII. Other Information

Beginning with FY 2006, the Administration for Children and Families (ACF) will no longer publish grant announcements in the Federal Register. Beginning October 1, 2005 applicants will be able to find a synopsis of all ACF grant opportunities and apply electronically for opportunities via: www.Grants.gov. Applicants will also be able to find the complete text of all ACF grant announcements on the ACF web site located at: http://www.acf.hhs.gov/grants/index.html.

Please visit the OCS Asset Building webpage at http://www.acf.hhs.gov/assetbuilding for additional information about this program. The website includes a wealth of ideas and suggestions for developing and managing an AFI Project. In particular, it includes downloadable text of the AFI Act and a synopsis of grantee responsibilities imposed by the Act. It also includes a downloadable guidebook, The AFI Project Builder, which includes many tips, suggestions and best practices for planning, starting and implementing an AFI Project. Applicants can visit the site for in-depth information regarding the requirements for applying for and implementing and AFI Project.

Applicants will be sent acknowledgements of received applications.

Appendix N:

Standard Budget Forms for AFI Applications

Requests for Federal assistance require a number of standard forms. Those related specifically to your project budget are:

- **Standard Form 424: Application for Federal Assistance.** Make sure the chairperson or executive director of the submitting organization signs this. You can find this two-page form on the Web, at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[1] See below for a sample of this form.

- **Standard Form 424A: Budget Information – Non-Construction Programs.** You can find this four-page form at http://www.acf.hhs.gov/programs/ofs/forms.htm/.[2] See below for a sample of this form.

Electronic Submissions: All required forms, budgetary and nonbudgetary, may be submitted as part of a complete electronic application. The content of the forms will be as described below. For instructions on the electronic submission process, go to: http://www.grants.gov. Note that you should read the information under "Prepare to Apply for Grants Through Grants.gov" carefully and follow the directions exactly. There are several registration steps involved before you can download an application package or submit a completed application. So *begin this process well ahead of the application due date* so that you will have ample time to handle any technical difficulties that may arise and are not competing with other applicants for access in the final days or hours of the application period.

Reflecting AFI Guidelines on Standard Forms

The Assets for Independence guidelines include several specifications for how funds are used, as well as the requirement of a dollar-for-dollar nonfederal cash contribution to the Project Reserve Account. Because of these unique requirements, applicants may find that some of the usual instructions to complete the standard forms related to budgets are difficult to follow. Here we provide assistance on specific parts of the Standard Form 424, the Request for Federal Assistance, and the Standard Form 424A, Budget Information, Non-Construction Programs.

The majority of the fields on these two forms are self-explanatory and not affected by AFI requirements. Both of these forms should reflect only the funds you plan to have in your Project Reserve Account, though many projects will also be drawing on other resources to provide administrative and programmatic support.

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[1]From this site, select **Application Forms.** Click on this or scroll down to **Grant Application Forms**, **Application for Federal Assistance SF-424, Version 2. This is the current version of the form, but you may use the earlier version, dated 7/03.**
[2]From this site, select **Application Forms.** Click on this or scroll down to **Grant Application Forms, Non-Construction Programs SF-424A.**

Standard Form 424, Request for Federal Assistance

This form is a cover sheet for your entire proposal and captures basic information about the applicant organization, contact data, location of the project, and the like. The only budgetary element is the section entitled "Estimated Funding." This is the part of the form in which you enter summary figures for your AFI budget, in particular the Project Reserve Account. This is section 18 on the new version of the form that you will use if you apply through Grants.gov. If you use the older, one-page version, it is section 15. There are five key points that require special attention:

- The figures here should represent your request of Federal funds and nonfederal cash contribution *for the full project period*, up to five years, *not* for one year only.
- The Federal line is the amount you are requesting from AFI.
- The total of figures entered for the applicant (your agency), state, local, and other sources equals the total in the Federal line.
- There will be nothing in the program income line.
- Be sure your total budget figure here matches the corresponding total budget figure on the SF-424A and in your detailed narrative budget. Similarly, the Federal Amount should correspond to the Federal amount shown on the SF-424A.

Following is the SF-424, Request for Federal Assistance, Ver. 2, expiration date 07/31/06. You may use the previous version of the SF-424, Ver. 7/03. There are no items on the earlier version that are not also on the new version. Only the box numbers vary because of the addition of new items to Version 2.

Application for Federal Assistance SF-424 — Version 02

ᵀ 1. Type of Submission:
☐ Preapplication
☐ Application
☐ Changed/Corrected Application

ᵀ 2. Type of Application:
☐ New
☐ Continuation
☐ Revision

ᵀ If Revision, select appropriate letter(s):

ᵀ Other (Specify)

ᵀ 3. Date Received:
Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

ᵀ 5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

ᵀ a. Legal Name:

ᵀ b. Employer/Taxpayer Identification Number (EIN/TIN):

ᵀ c. Organizational DUNS:

d. Address:

ᵀ Street1:

Street2:

ᵀ City:

County:

ᵀ State:

Province:

ᵀ Country:

ᵀ Zip / Postal Code:

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

ᵀ First Name:

Middle Name:

ᵀ Last Name:

Suffix:

Title:

Organizational Affiliation:

ᵀ Telephone Number:

Fax Number:

ᵀ Email:

Application for Federal Assistance SF-424	Version 02

9. Type of Applicant 1: Select Applicant Type:

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

* 12. Funding Opportunity Number:

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

* 15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

[Add Attachments] [Delete Attachments] [View Attachments]

Application for Federal Assistance SF-424 — Version 02

16. Congressional Districts Of:

a. Applicant: [ ]   b. Program/Project: [ ]

Attach an additional list of Program/Project Congressional Districts if needed.

[ ] Add Attachment   Delete Attachment   View Attachment

17. Proposed Project:

a. Start Date: [ ]   b. End Date: [ ]

18. Estimated Funding ($):

a. Federal [ ]

b. Applicant [ ]

c. State [ ]

d. Local [ ]

e. Other [ ]

f. Program Income [ ]

g. TOTAL [ ]

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

[ ] a. This application was made available to the State under the Executive Order 12372 Process for review on [ ] .

[ ] b. Program is subject to E.O. 12372 but has not been selected by the State for review.

[ ] c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

[ ] Yes   [ ] No   [Explanation]

21. "By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

[ ] ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: [ ]   * First Name: [ ]

Middle Name: [ ]

* Last Name: [ ]

Suffix: [ ]

* Title: [ ]

* Telephone Number: [ ]   Fax Number: [ ]

* Email: [ ]

* Signature of Authorized Representative: [ ]   * Date Signed: [ ]

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Standard Form 424 (Revised 10/2005)

Prescribed by OMB Circular A-102

Application for Federal Assistance SF-424	Version 02

* Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

Standard Form-424A: Budget Information: Non-Construction Programs

This form asks you to break down your projected budget in two ways: by the sources of funds and by the uses of funds. You will itemize your sources of funds in Section A: Budget Summary; and Section C: Nonfederal Sources. You will list projected expenses by a few general categories, such as personnel, travel, and other costs in Section B, Budget Categories. In the case of AFI, the funds to be allocated to participant matches over the life of your project will be the largest figure and appear in the "Other" object class. The form also asks you to project overall expenditures of the Federal portion of your project budget annually over the entire project period in Sections D and E.

Represent on the SF-424A *only* the Federal funds you are requesting and the required nonfederal cash contribution to your project budget that will be deposited into your Project Reserve Account. The AFI guidelines concerning uses of funds apply only to funds in the Project Reserve Account and not to other resources that may support your project. You can include additional resources in the detailed budget and budget narrative requested in the funding announcement.

Remember that the figures here should *reflect the full project period*, up to five years and should correspond to the estimated funding section on the SF-424. In addition, here are the key points to note so that the figures on the SF-424A reflect AFI guidelines.

- **Section A, Budget Summary**
  In this section, you are showing the planned Federal and nonfederal funds, similar to the way you showed them in the estimated funding section of the SF-424. Note the following:
  - The Grant Program, column (a), is Assets for Independence.
  - The Catalog of Federal Domestic Assistance Number, column (b) is: 93:602.
  - Use columns (c) and (d), under Estimated Unobligated Funds, Federal and nonfederal, and *not* columns (e) and (f), even though AFI Projects are considered new.
  - The figures in the Federal, column (c), and nonfederal, column (d) will be equal.
  - The Federal amount should be the same as the Federal amount in the estimated funding section of the SF-424.
  - The total figure, column (g), should be the same as the total estimated funding figure on your SF-424.

- **Section B, Budget Categories**
  This section of the SF-424A asks for projections according to common budget categories. Because you are describing only the funds in your Project Reserve Account, the figures given for each Object Class under Federal and nonfederal will be equal. In this section you will use only column (1), Federal; and (2), nonfederal (aligned with columns c and d in the previous section). Note especially the following points to conform to AFI guidelines:
  - The single largest figure will be in the Other Object Category. This is where you show the Federal and nonfederal funds that will go to match participant savings. This will be at least 85 percent of your Federal and at least 85 percent of your nonfederal funds.
  - The amounts entered in the remaining Object Classes (personnel, fringe benefits, travel, equipment, supplies, and contractual) will depend on how you have allocated the remaining 15 percent of your Federal and nonfederal funds, while adhering to the AFI guidelines described in the funding notice and elsewhere in this Project Builder. The amounts in columns (1) and (2) will always be equal. It may be that the amounts entered in these categories do not incorporate the full costs for the category to your project, but you can show additional resources in your detailed budget and budget narrative.
  - There should be no entries in the Construction or Indirect Charges Object Categories.
  - The totals for columns (1) and (2) should match those in Section A, columns (c) and (d) above; the total for column (6) should match the total for column (g) in Section A.

- **Section C, Nonfederal Resources**

This section of the form asks you to itemize the nonfederal funds that will go into your Project Reserve Account. The total, of course, should be equal to the Federal funds you are requesting and that you have shown on your SF-424 and in Section A of the SF-424A. However, the breakdown of sources of funds is not exactly the same as on the SF-424. Note the following:
- o The figure for column (b), Applicant, will be the same as on the SF-424.
- o The figure for column (c), State, will be the same as on the SF-424.
- o The figure for column (d), Other Sources, will be the total of Local and Other on the SF-424.
- o The total of these sources should be the same as the total of nonfederal sources given in Section A and Section B of the SF-424A.

- **Section D, Forecasted Cash Needs**

This section asks you to project the amount of Federal and nonfederal funds that you expect to spend in the first operating year of your whole project period and to break down that total by quarter. Note the following:
- o The figures entered in the Federal and nonfederal lines will always be equal.
- o Be sure the figures given in the quarterly columns do add up to the total given for the year.

- **Section E, Budget Estimates of Federal Funds Needed for Balance of the Project**

This section asks *only* about projected Federal funds to be used in operating years after year one in your whole project period. Remember, however, that AFI guidelines require that the nonfederal share must be deposited in the Project Reserve Account before draw down of the Federal portion. Therefore, the figures here will reflect the timing for deposit of your nonfederal commitments into your Project Reserve Account.

- **Section F, Other Budget Information**

You do not need to enter any information in this section. Additional details on your overall project budget will be reflected in the detailed budget and budget narrative included in your proposal.

Following is the SF-424A form.

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		$	$	$	$	$ 0.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)		
a. Personnel	$	$	$	$	$ 0.00
b. Fringe Benefits					0.00
c. Travel					0.00
d. Equipment					0.00
e. Supplies					0.00
f. Contractual					0.00
g. Construction					0.00
h. Other					0.00
i. Total Direct Charges (sum of 6a-6h)	0.00	0.00	0.00		0.00
j. Indirect Charges					0.00
k. TOTALS (sum of 6i and 6j)	$ 0.00	$ 0.00	$ 0.00	$	$ 0.00
7. Program Income	$	$	$	$	$ 0.00

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Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.		$	$	$	$ 0.00
9.					0.00
10.					0.00
11.					0.00
12. TOTAL *(sum of lines 8-11)*		$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	$ 0.00	$	$	$	$
14. Non-Federal	0.00				
15. TOTAL *(sum of lines 13 and 14)*	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

	(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
		(b) First	(c) Second	(d) Third	(e) Fourth
16.		$	$	$	$
17.					
18.					
19.					
20. TOTAL *(sum of lines 16-19)*		$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

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APPENDIX O:

Other Required Application Forms and Supplemental Materials

In addition to the two budget forms discussed in Appendix N, there are several other forms required for your Assets for Independence application for funding. They are as follows:

Assurances and Certifications

- Standard Form 424B: Assurances – Non-Construction Programs

- Certification Regarding Lobbying – Certification for Contracts, Grants, Loans, and Cooperative Agreements.

- Standard Form LLL: Disclosure of Lobbying Activities

These are enumerated in the Announcement of Funding Opportunity. You may download these documents by following this link: http://www.acf.hhs.gov/programs/ofs/forms.htm/. Select Application Forms, and then follow the link or scroll down to each document.

Other Required Materials:

- Proof of Nonprofit Status

- Proof of Low-Income Credit Union Status (if applicable)

- Proof of Community Development Financial Institution Status (if applicable)

Refer to the funding announcement for what documents may satisfy these requirements for various types of applicant organizations.

Special Survey for Non Profit Organizations

The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. Private, nonprofit organizations are encouraged to return the Survey on Ensuring Equal Opportunity for Applicants to help us better understand the population of applicants for Federal funds