Assets for Independence Program

Information Memorandum 2005-02

August, 2005

Procedures for Requesting a No-Cost Extension

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Procedures for Requesting a No-Cost Extension

TO: All current Assets for Independence Grantee organizations.

SUBJECT: Guidance about the process for requesting a no-cost extension of an AFI grant.

RELATED REFERENCES: Assets for Independence Act, 42 U.S.C. 604 note, as amended.

Terms and Conditions – "Standard Terms and Conditions" and "Additional Special Terms and Conditions for Assets for Independence Individual Development Accounts" issued with the Federal Financial Award.

DEFINITIONS: Grantee – An organization that received a Financial Assistance Award through the AFI Program and is currently administering an AFI Project.

Extension Period – Time period of up to twelve months following the original Project Period during which a grantee may continue project activities, if authorized by ACF.

Project Period – Five-year period indicated in Box 9 of the Financial Assistance Award document. For example, for grantees whose Project Period started on September 30, 2000, the period will run through September 29, 2005.

Savings Plan Agreement – Official documentation of an agreement between the grantee organization and a project participant that sets forth the roles and responsibilities of each party. The agreement must include an explicit statement of the participant's savings goals including the amount to be saved, the savings timeframe, and the assets for which the participant will save. It must also include clear statements about the roles and responsibilities of the grantee organization, particularly the agreement to provide funds for matching amounts saved in the participant's Individual Development Account. The agreement must set forth a timeframe consistent with the AFI award project period.

BACKGROUND: The Office of Community Services (OCS), Administration for Children and Families (ACF), has as its mission to increase the capacity of individuals and families to become more self-sufficient and to help build, revitalize and strengthen their communities. It administers the AFI Program, the Community Services Block Grant, the Social Services Block Grant, Urban and Rural Community Economic Development project grants, and a number of other programs that support community building, asset development, and job creation activities for low-income people.

ACF may extend the project period of an AFI grant for up to twelve months where there is a legitimate need to do so. ACF allows extensions when a grantee requests additional time to achieve their project goals. The fact that there is a balance of funds remaining at the end of the original project period is not sufficient justification for extending the project period.

POLICY GUIDANCE: Grantees may request one no-cost project period extension of up to twelve months to allow additional time to achieve project goals.

Some terms of a no-cost extension will supercede those of the original grant Terms and Conditions. In general, however, the original Terms and Conditions and other requirements will remain in effect throughout the extension period.

During the extension period, grantees may use AFI grant funds that were drawn down prior to the original project period end date for program activities such as:

- Providing services and training for AFI Project participants;
- Enrolling new participants, if needed to a achieve a grantee's project goals that were approved by ACF before the grantee made the extension request;
- Providing "match" funds for an enrolled participant's Individual Development Account (IDA);
- Using the funds allocated as "match" to pay for a portion of an enrolled participant's qualified expenses, in keeping with the participant's savings plan agreement. Qualified expenses include expenses related to the purchase of a first home, purchase of post-secondary education, payments into a business capitalization account, or transfers to a dependent's IDA; and
- Gathering and reporting information such as for the national evaluation of the AFI Program and Congressional Reports.

Grantees that are provided a no-cost extension must continue to participate fully in the AFI national evaluation including, for example, by providing information for the annual data collection.

Such grantees must adhere to the usual annual reporting requirements, including submitting a Financial Status Report, a Program Progress Report, and any other data reports requested for the AFI Program evaluation. These reports are due within the same time period as earlier annual reports were due as stated in the grant Terms and Conditions. The final reports will be due at the end of the closeout period, which follows the no-cost extension period.

EXTENSION REQUESTS:

ACF will consider extension requests as follows:

- Requests must be made in writing by an official of the grantee organization.
- Requests should be no longer than five pages in length.
- Requests should include:

  1) The grantee's reason(s) for seeking an extension, such as to achieve overall project goals or enable participants to complete their IDA savings and use their savings and the match funds for a qualified expense. Also, include an explanation of reasons why the grantee is unable to complete the project within the original project period.

  2) A brief narrative description of planned activities that have not been completed and the anticipated completion dates if the grant period is extended. The narrative should include the following summary information:

    a) Original Goals:

    - Total number of participants proposed in the original grant proposal;
    - Total amount of participant IDA savings proposed in the original grant proposal; and
    - Number of each type of qualified asset purchase proposed in the original grant proposal.

    b) Projected Status at Original Project End Date:

    - Number of participants who would be enrolled by the original project period end date;

- Estimated amount of participant IDA savings by the original project period end date; and
- Estimated number of each type of qualified asset purchase to be completed by the original project period end date.

c) Workplan for Extension Period:

- Number of participants who would be enrolled during the extension period (grantees may enroll new participants during the extension period only to achieve the project's approved enrollment goals);
- Estimated amount of participant IDA savings by the end of the extension period; and
- Estimated number of each type of qualified asset purchase to be completed by the end of the extension period.

d) A firm date by which all participants would use their IDA savings and the match funds for a qualified purchase or expense.

The narrative should also describe how the grantee will ensure that the remaining participants complete their savings plans and purchase a qualified expense by the end of the extended time period.

The narrative should describe how the grantee will ensure an orderly closeout at the end of the extension period.

3) A firm commitment that the grantee would continue to participate fully in the AFI national evaluation during the extension period.

4) Statement that the grantee has submitted all required program reports including the Financial Status Reports, the Program Progress Reports, and others. ACF will not approve an extension request until the grantee has submitted all required reports.

5) Requests for technical assistance about any matter related to the AFI Project, the closeout, or extension period.

OTHER PROCEDURES: Grantees may draw down federal grant funds for up to five years following the date ACF awarded the funds to them. For example, an organization that received an AFI award on September 30, 2000 may draw down funds through September 29, 2005. Grantees may not draw down additional funds after that date, even if granted a Project Period extension.

PROCESS FOR SUBMITTING EXTENSION REQUESTS: Grantees may submit a request for a no-cost extension between January 1 and June 30 of the year their projects will end. Requests must be received no later than 4:30 p.m. Eastern Standard Time on June 30.

Send one official signed original and one copy of the request and all related materials to:

Administration for Children and Families
Office of Grants Management
Division of Discretionary Grants
Attn: Twanna Nickens
370 L'Enfant Promenade, S.W. 4th Floor West
Washington, D.C. 20447

Mail or fax one copy (paper or electronic) to:

James Gatz
Manager, Assets for Independence Program
370 L'Enfant Promenade, S.W. Suite 500 West
Washington, D.C. 20447
Telephone: (202) 401-4626
Fax: (202) 401-5718
Email: AFIProgram@acf.hhs.gov

INQUIRIES: Please direct inquiries to:

Assets for Independence Program
370 L'Enfant Promenade, S.W. Suite 500 West
Washington, D.C. 20447
Telephone: (202) 401-4626
Fax: (202) 401-5718
Email: AFIProgram@acf.hhs.gov

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Josephine B. Robinson
Director
Office of Community Services

Attachment:
1 – Common Questions and Answers

ATTACHMENT 1

Common Questions and Answers

1) When we request a no-cost extension, is it sufficient to say that we have participants who have not made their asset purchase? Should we be more specific?

You should make it clear that your organization has not finished the Project activities.

2) Is it reasonable to ask for a no-cost extension because we have found that participants have not been able to find a home for purchase, given the expensive housing market?

If you request a no-cost extension, you should indicate that your project is not yet complete. Please keep in mind that in order to ensure that your participants can make their asset purchase within the timeframe of the no-cost extension, you may need to help the participant locate additional services related to their housing needs or work with him or her to change their savings goal and focus on a different asset.

3) Should we submit summary information or detailed information about each participant with our request for a no-cost extension?

Summary information is all that is requested, but you are welcome to provide more details.

4) If we do not need a full 12-month no-cost extension, may we closeout earlier or do we need to wait until the end of the extension period?

You are welcome to closeout earlier. In your written request for a no-cost extension, you may specifically ask for an extension that is shorter than 12 months. Request the timeframe that you will need. Please note that you may only ask for one no-cost extension of any length.