

Assets for Independence Program

Information Memorandum 2004-03

August 13, 2004

Procedures for Reassigning Participants among AFI Projects

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- TO:** Grantee organizations that are administering Assets for Independence (AFI) Projects
- SUBJECT:** Guidance about reassigning participants among AFI projects that are administered simultaneously by one grantee organization.
- 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 receives Financial Assistance Awards through the AFI Program.
- AFI Project – A project supported with a five-year Assets for Independence program grant. For example, a grantee that received AFI funding in FY 2000 is administering an AFI Project. A grantee that received AFI funding in FY 2000 and an additional grant in FY 2002 is administering two separate AFI Projects. (Many grantees have received more than one award through the AFI Program and, therefore, are administering multiple AFI Projects.)
- Project Participant – An individual who is enrolled in an AFI Project.
- 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, the Compassion Capital Fund, and a number of other programs that support community building, asset development, and job creation activities for low-income people.

ACF has awarded AFI grants in FYs 1999, 2000, 2001, 2002, and 2003. A number of organizations are administering multiple AFI Project grants simultaneously. Each AFI grant provides financial support for one project, and recipient organizations track funding, participants, and results for each project individually.

**POLICY
GUIDANCE:**

Reassigning Participants from a newer project to an older one –

A grantee may allow an eligible project participant who is enrolled in an established AFI Project to be reassigned to a different AFI Project that was established by the same grantee in a previous year. For example, assume that a grantee is administering an AFI Project supported with a grant issued in FY 1999 and simultaneously administering a second AFI Project that is financed with an award issued in FY 2001. Make the further assumption that Participant A is enrolled in the FY 2001 project. The grantee may allow Participant A to be reassigned to the FY 1999 project when needed to enhance program results.

Reassigning Participants from an older project to a newer one –

A grantee may allow an eligible project participant who is enrolled in an AFI Project established earlier to be reassigned to one started by the same grantee more recently. That is, given the scenario outlined above, assume that Participant B is enrolled in the FY 1999 AFI Project. The grantee may allow the Participant B to be reassigned to the FY 2001 project where needed to enhance program results.

Reassigning Participants who have achieved their asset purchase goal –

Grantees may also reassign participants from one AFI Project to another after they have achieved their asset purchase goal and left the project. The grantee may reassign such participants as a means for achieving the measurable outcomes in one project and making participant “slots” available for new enrollees in another project.

General Guidance –

Grantees may allow an eligible project participant to be reassigned from one AFI Project to another administered by that grantee without requiring the participant to re-enroll in financial literacy courses or other training. Grantees may choose to require participants to attend additional training, if needed.

A reassigned participant may withdraw funds for allowable uses from an IDA started under another AFI Project after the participant has been enrolled in either of the AFI Projects for at least a combined total of six months.

Limitations –

A participant must be in good standing with his AFI Project to be eligible for reassignment to a different AFI Project. That is, the participant must be current with the financial literacy training requirements, have a consistent record of saving according to the project Savings Plan Agreement, and must show evidence of abiding with other program requirements. The grantee may establish specific criteria for determining when a participant is in good standing.

A participant must meet all AFI Project eligibility requirements at the time of reassignment to the new Project. Grantees may disregard the participant’s IDA savings when determining net worth for eligibility for the new AFI Project.

A participant may be reassigned only once.

A participant may not be reassigned after withdrawing funds – for emergency expenses or for qualified purchases – from his or her IDA.

A grantee must have prior written approval from the participant before reassigning the participant. The grantee is required to inform the participant of possible ramifications of a reassignment prior to obtaining the written approval from the participant. A

grantee is not required to get written approval from participants who are reassigned after they have completed their asset goals and left the program.

Required Procedures –

A grantee must do the following when an active participant is reassigned from one AFI Project to another:

- 1) Reallocate “matching” funds (federal grant funds and nonfederal cost share funds) that had been set aside for the participant in the original project’s Reserve Account.
- 2) Allocate “matching” funds (federal grant funds and nonfederal cost share funds) in the new project’s Reserve Account for the reassigned participant. (These funds must be available before the grantee may reassign a participant.)
- 3) Record details of the reassignment in both project files for review by program officials, evaluators, auditors, and others:
 - a) Date of the reassignment;
 - b) Participant’s or grantee’s reason for requesting the reassignment;
 - c) Written approval from the participant;
 - d) Amount of savings in the participant’s IDA at the time of the reassignment;
 - e) Amount of “matching funds” returned to the original project’s Reserve Account as a result of the reassignment.
- 4) Record the reassigned account as “Transferred/Closed” in the original project file.
- 5) Record the reassigned account as “Transferred/Opened” in the new project file.
- 6) Report details about the reassignment, as noted in #3 above, on the Program Progress Report and the annual data collection report of both the original and the new AFI Project.

In the situation where the grantee reassigns participants who have completed their asset purchase goals and left the project, the grantee must record details of the reassignments in both project files for review by program officials, evaluators, auditors, and others.

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: AFIPProgram@acf.hhs.gov



Clarence Carter
Director
Office of Community Services