



***“TOOLS FOR SUCCESS” WEBINAR SERIES  
FOR ASSETS FOR INDEPENDENCE  
GRANTEES***

**GETTING STARTED:**

**Understanding AFI Program Rules  
and Regulations**

**May 16, 2012**

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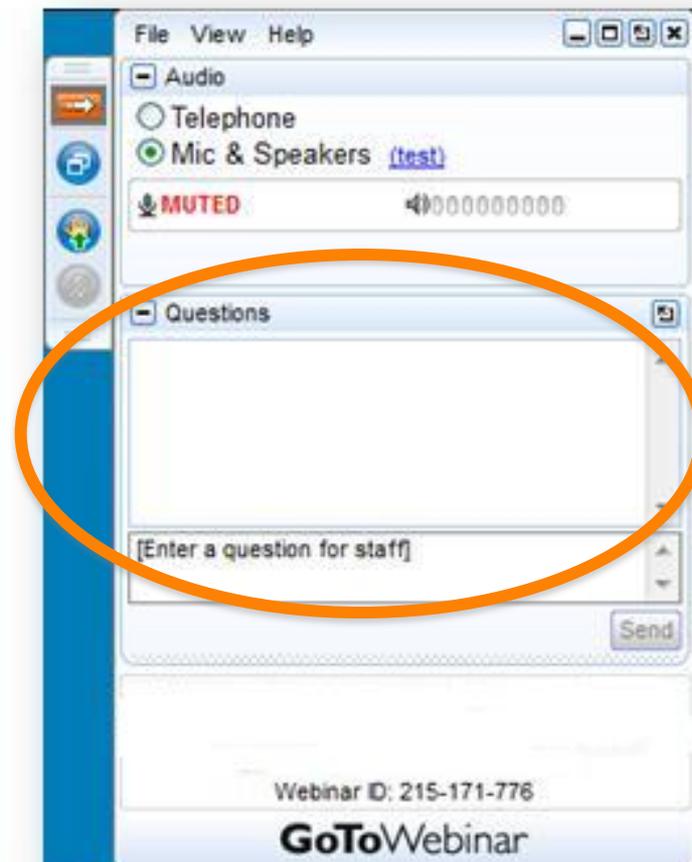
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# Housekeeping

- All webinar attendees are muted to ensure sound quality.
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# Not an AFI grantee yet?

- The Assets for Independence (AFI) program, administered through the Office of Community Services at the U.S. Dept. of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs). To learn more about applying, visit [www.idaresources.org](http://www.idaresources.org).
- Upcoming Orientation Webinar:  
**AFI Q&A Conference Call for Prospective Grantees**  
**May 21, 2012 – 2:00 PM - 3:30 PM Eastern**  
Register at [www.idaresources.org](http://www.idaresources.org).

# Your Guest Speaker

- **Amy Shir**

AFI Regional Consultant

Asset Initiative Project



- The Asset Initiative Project is a collaboration across the Administration for Children and Families (ACF) Programs to bring asset building tools & practice to ACF grantees and families served in their programs.

# Your Moderator

- **Leigh Tivol**  
AFI Resource Center



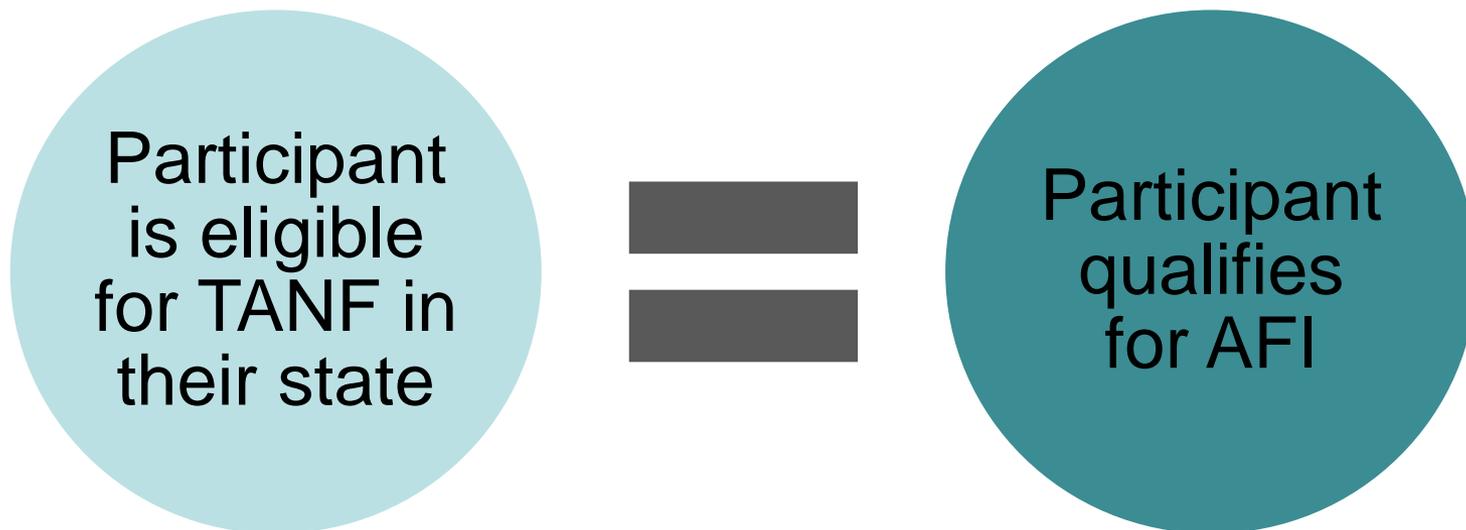
- The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

# Today's webinar will cover...

**Making sense of AFI rules and regulations, including:**

- Participant eligibility
- Financial procedures
- IDA structure
- Eligible uses of matching funds
- Reporting requirements
- Managing your grant: allowable program design changes

# Paths to Eligibility: Option 1



# Paths to Eligibility: Option 2

Household  
income at or  
below 200% of  
federal  
poverty

**OR**



Net worth is  
less than  
\$10,000 (less  
one residence  
and 1 vehicle)



Participant  
qualifies for  
AFI

Participant is  
EITC-eligible

## Verifying Eligibility

- **Proof of earned income for ALL workers in household**
  - Previous year's tax return
  - Most recent pay stubs for all workers
- **Proof of net worth**
  - Exclude primary residence and one vehicle
  - Add liquid assets: Use current checking and savings account statements
  - Subtract current debt balances: credit cards, student loans, second car loan
  - Business tax returns

# Eligibility Scenario # 1

- Linda and her husband both work minimum wage jobs. They have no children. Linda earns \$18,000 a year.
- 200% of federal poverty for family of 2 = \$30,260.
- Linda and her husband own their home, valued at \$70,000. Their other assets total \$5,000.
- **Does Linda qualify for the IDA program?**

## Eligibility Scenario # 2

- Tiffany, a 16-year-old high-school student, wants to open an IDA to save for college.
- She does not have a formal job, but she sometimes babysits on the weekends.
- She lives with her 8-year-old brother and their mother, who earns \$32,000 a year. Their net worth is \$8,000.
- 200% of federal poverty for family of 3 = \$38,180.
- **Can Tiffany open an IDA?**

## Eligibility Scenario # 3

- Ronald makes \$35,000/year and supports his daughter, who is his qualifying child.
- 200% of federal poverty for family of 2 = \$30,260
- Ronald claims his daughter on his taxes and gets the Earned Income Tax Credit (EITC).
- Ronald's net worth is \$6,000.
- **Does Ronald qualify for the IDA program?**

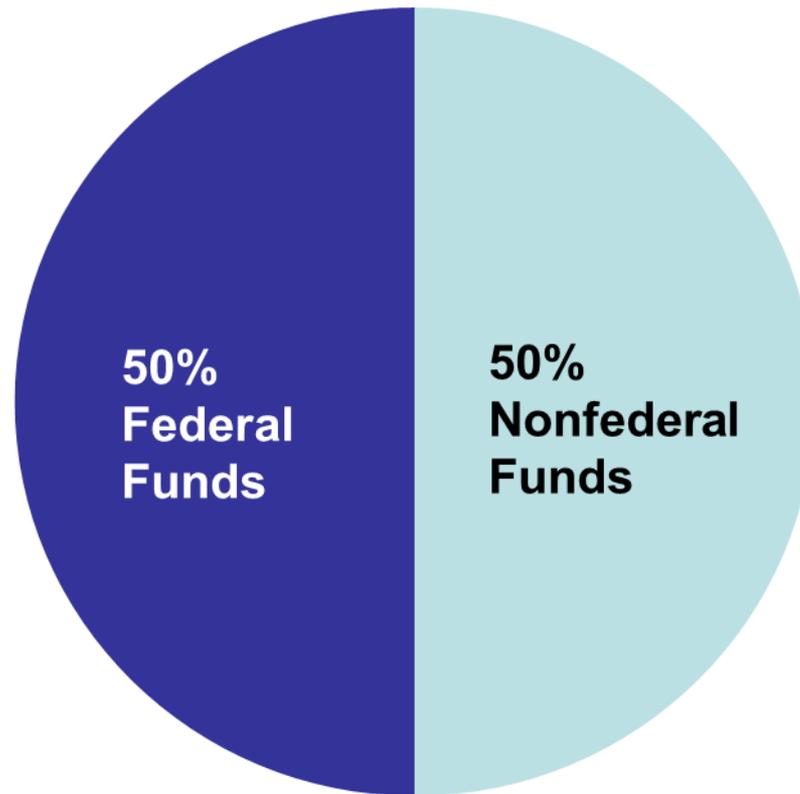
# Financial Procedures

- Create MOU with partner financial institution/s
- Ensure IDAs are custodial accounts
- Set up Project Reserve Fund
- Follow “85/15 rule”
- Follow procedures for drawing down federal funds
- Ensure funds cover enrolled participant match obligations

# Financial Partnerships Scenario

- An AFI grantee has signed an MOU with a bank conveniently located in the grantee's target neighborhood.
- The bank is offering a no-fee savings account.
- Participants will be able to make deposits and withdrawals with an ATM card.
- The bank will provide monthly reporting to the AFI grantee.
- The bank will hold the Project Reserve Fund.
- **Is there anything the AFI grantee should change about this arrangement?**

# Project Reserve Fund



# Maximum Match Amounts

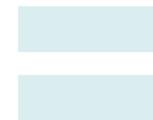
Match rates range from 1:1 up to 8:1, up to the total dollar amounts below:

**Participant**

**\$2000  
Nonfederal**



**\$2000  
Federal**



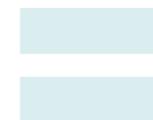
**\$4000 Max  
Match for  
Participant**

**Household**  
*(typically  
comprises 2  
participant  
accounts)*

**\$4000  
Nonfederal**



**\$4000  
Federal**



**\$8000 Max  
Match for  
Household**

# Project Reserve Fund Scenario

- A grantee receives a \$100,000 AFI grant award on July 1.
- Over the next few months, the grantee enrolls 30 IDA participants.
- In October, the grantee places \$10,000 of non-federal funds in the Project Reserve Fund and draws down \$10,000 in federal match – for a total of \$20,000 in the Project Reserve Fund.
- **Is there anything wrong with this scenario?**

# Eligible Uses of Matching Funds

1. Post-secondary educational expenses – which must all be made through an eligible educational institution (even supplies, equipment, etc).
2. First-time home purchase for main residence (no homeownership for previous three years)
3. Small business capitalization or expansion
4. Transfer to spouse or dependent

# Eligible Uses Scenario

- **Which of the following is NOT an eligible use of AFI funds?**
  - Closing costs for a home
  - Fall semester tuition and fees at cosmetology school
  - Laptop for school, purchased at a computer store
  - Signage and business cards for a new graphic design business
  - None – these are all eligible uses

# Reporting Requirements

- Program Progress Reports: Semi-Annual
- SF 425 Financial Reports: Semi-Annual
- Annual Report to Congress: Includes:
  - project design features; participant demographic information; participant status; reserve fund status; grantee performance plans and performance targets.
  - Due early December

# Managing Your AFI Grant: Guidance and Forms for Grantees

- Complete Design Change Request Template
  - Go to [www.idaresources.org](http://www.idaresources.org)
  - See “Topics and Tools”
  - Click “Managing Your Grant”
  - Click “Making Changes to Your AFI Project”
- Typically allowable: Match rate change, savings goal change, partner/s change
- Not typically allowable: project geography change, grant transfer



**Questions?**



# Contact Information

For general questions about the AFI program,  
visit [www.idaresources.org](http://www.idaresources.org).

- **Amy Shir**  
AFI Regional Consultant  
[amy.shir@idaresources.org](mailto:amy.shir@idaresources.org)
- **Leigh Tivol**  
AFI Resource Center  
[leigh.tivol@idaresources.org](mailto:leigh.tivol@idaresources.org)



# Thank you!

## **Assets for Independence Resource Center**

- AFI Resource Center:
  - 1-866-778-6037
  - [info@idaresources.org](mailto:info@idaresources.org)
  - [www.idaresources.org](http://www.idaresources.org)
- AFI Program Website:
  - [www.acf.hhs.gov/assetbuilding](http://www.acf.hhs.gov/assetbuilding)