



# Investing in Teens for Tomorrow: AFI Funding Opportunity

AFI Resource Center

2 – 3pm ET

1-866-778-6037

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[www.IDAresources.acf.hhs.gov](http://www.IDAresources.acf.hhs.gov)

## During this Webinar

- ▶ For assistance accessing the materials, contact the AFI Resource Center: [info@IDAresources.org](mailto:info@IDAresources.org) or call 1-866-778-6037
- ▶ The webinar is being recorded and will be available on our website along with the presentation
- ▶ All participants have been muted to ensure sound quality
- ▶ If you have any questions before/ during Q&A:
  1. Go to the Q&A panel on the right-hand side
  2. Type in your question
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## Presenters

- ▶ Megan Robinson, Communities In Schools National Office
  - ▶ Emily Appel-Newby, AFI Resource Center
  - ▶ Katina Fullen, I Know I Can (*AFI grantee*)
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**AFI**

## Assets for Independence

## Assets for Independence (AFI) Program

- ▶ Assets for Independence (AFI) is a discretionary grant program administered by the Office of Community Services (OCS) in the Administration for Children and Families (ACF).
- ▶ Administration for Children and Families (ACF)
  - Part of the US Department of Health & Human Services.
  - One of the key *human services* agencies within HHS.
  - Promotes the economic and social well-being of families, children, individuals and communities.
  - Responsible for funding many programs and services, including Head Start, child care, child welfare, child support, LIHEAP, family violence prevention, TANF, CSBG, and refugee services.

## Assets for Independence (AFI) Program

- ▶ AFI was created by Congress in 1998 to demonstrate and support an assets-based approach for increasing the economic self-sufficiency of low-income individuals and families.
- ▶ What is asset building?  
Supporting the acquisition of assets (both tangible, such as a home, and intangible, such as education) that can increase opportunities, build wealth, and increase economic stability.
  - Income-support strategies, such as cash assistance and SNAP (food stamps), act as a safety net.
  - Asset-building strategies act as a ladder.



## Assets for Independence (AFI) Program

- ▶ AFI funds projects that provide Individual Development Accounts (IDAs) and related services to low-income people.
  - IDAs are matched savings accounts with a specific goal: purchasing an asset.
  - AFI IDAs may be used for:
    - To purchase a first home,
    - To capitalize a business, or
    - To fund post-secondary education or training.

## Which entities are eligible for AFI grants?

- ▶ AFI is authorized to award grants to the following entities:
  - Non-profit entities with 501(c)(3) status;
  - State or local government agencies, or tribal governments, applying jointly with a non-profit with 501(c)(3) status;
  - Financial institutions that are federally certified as either a Low-Income Credit Union or a Community Development Financial Institution and that demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty.
  - Entities deemed eligible under Section 405(g) of the AFI Act [the grandfather clause], specifically state agencies in Indiana and Pennsylvania.

## AFI Award Information

- ▶ AFI is a discretionary grant program.
  - Competitively awarded; typically more than one competition per fiscal year.
  - Program is implemented by grantees.
  - Organizations can have more than one AFI grant at a time.
- ▶ In FY 2014, AFI was appropriated \$19 million.
  - Approximately \$10 million was awarded as grants.
  - Total of 44 grant awards were made.
- ▶ General grant information:
  - Maximum award: \$1,000,000.
  - Minimum award: \$10,000.
  - Grants have a 5 year period.
  - Full funding is available upon award.



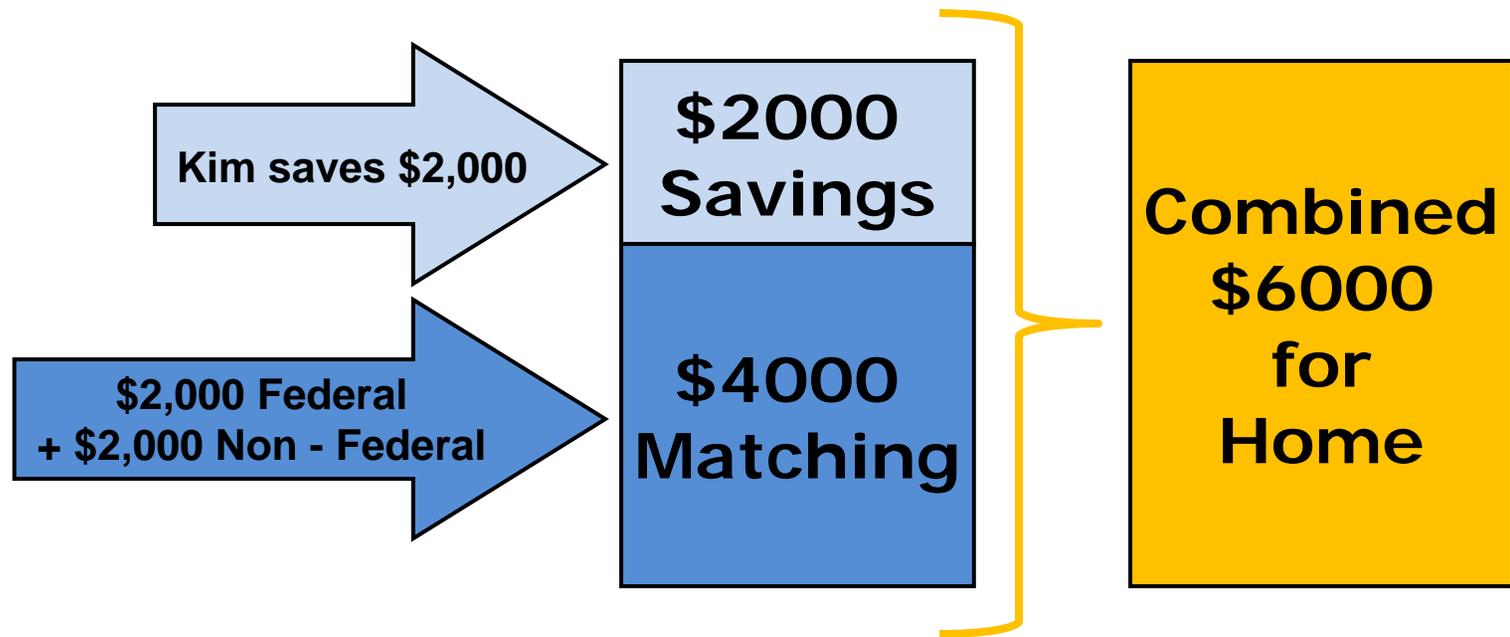
**AFI**

## How AFI Works

## How AFI Works: A Participant's Perspective

- ▶ Kim would like to purchase her first home.
- ▶ An AFI grantee in her community determines that she is eligible and Kim opens her IDA.
- ▶ The AFI grantee matches Kim's savings at a rate of \$2 for every \$1.
- ▶ For 3 years, Kim saves \$55 per month of her earned income, working towards a goal of \$2,000 in her IDA.
- ▶ During this time, she receives tax assistance, financial education, and homeownership preparation from the AFI grantee and its partners.
- ▶ Kim saves \$2,000 and purchases her home using her savings plus \$4,000 from the AFI grantee (\$2,000 federal/\$2,000 non-federal).

## How AFI Works: Kim's IDA



# Allowable Uses of Education IDA Funds

- ▶ Tuition and fees, books, supplies, and equipment required (such as a computer) to attend or for courses at an eligible educational institution
- ▶ ‘Eligible educational institution’
  - Accredited by the Department of Education
  - Verified under the Perkins Vocational and Applied Technology Education Act
- ▶ IDA and match funds must be paid directly to an eligible educational institution
- ▶ Multiple withdrawals
- ▶ Degree, certificate, or stand-alone courses

# Education IDAs as Student Aid

## ▶ For the student:

- Can reduce student loan and/or work study burden
- Can help with the estimated family contribution
- Can fill a gap left if a school cannot provide the full financial aid package needed
- Helps students who cannot access federal financial aid
- Helps students from groups traditionally reluctant to take out loans

## ▶ For the college:

- Mission alignment – low-income students
- Fill the gap left after grants and scholarships
- Double your scholarship dollars
- Boost fundraising from your donors
- Increase parent involvement
- Build life skills with financial literacy training

## More on IDA Mechanics

- ▶ Federally-supported IDAs are not counted as an asset for federal aid programs, so will not impact eligibility
- ▶ Participants can withdraw from the program at any time, taking their personal savings with them
- ▶ Only interest earned on participant's personal savings is potentially taxable
- ▶ Set up as custodial accounts at federally-insured financial institution

## Who can participate in an AFI project?

1. Any individual who is a member of a household that is eligible for assistance under their state's Temporary Assistance for Needy Families (TANF) program.

**OR**

2. Any individual who is a member of a household that meets both of the following requirements:
  - Income Test - Adjusted gross income of the household is equal to or less than 200 percent of the federal poverty guidelines or the earned income tax credit limits.
  - Net Worth Test - Net worth of the household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000 (excluding value of the primary residence and one vehicle).

## How AFI Works: A Grantee's Perspective

### ▶ Project start-up:

- Activate partnership with financial institution(s) and other partners
- Establish project Reserve Fund, deposit non-federal cash contribution, and draw down federal AFI funds
- Develop program policies and procedures and train staff
- Develop program outreach and marketing materials
- Set up data management system and other record-keeping

### ▶ Engage and support savers:

- Perform outreach and recruitment
- **Determine eligibility of applicants and ability to participate**
- Establish savings plan agreements and **open IDAs**
- Support participant savings progress

## How AFI Works: A Grantee's Perspective

- ▶ Engage and support savers:
  - **Periodically match participant savings**
  - Develop system for participant **business plan review and approval** (if offering business as an asset)
  - **Assist participants in obtaining skills and information necessary to achieve economic self-sufficiency**
  - Offer activities and strategies for retaining participants
  - **Approve and process qualified expenses and emergency withdrawals**
- ▶ Behind the scenes:
  - Submit required reports
  - Conduct periodic internal reviews
  - Perform project close-out



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*Save Smart IDA Program*

**I KNOW I CAN**

# IKIC/SAVE SMART HISTORY

- **Established in 1988, IKIC's core purpose is to inspire, enable and support Columbus City Schools (CCS) students in pursuing and completing a college education**
- **Offers college and career readiness programs, resources, activities, and advising services promoting the opportunities and benefits of college**
- **Funds over \$1.5 million dollars per year in grants & scholarships to CCS graduates**
- **Administering IDAs since 2010, Save Smart is now one of largest post-secondary IDA programs in Central Ohio and one of the first to offer post-secondary IDAs to middle school families**

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# BENEFITS OF SAVE SMART IDA PROGRAM?

I Know I Can looking for opportunities to increase amount of existing grants for college. The IDA...

- leverages current resources that are limited by endowment spending policy
- provides benefit of involving and engaging the family in the college-going process
- incorporates financial education and planning into the college savings discussion
- provides additional connection to family throughout high school and then the student once enrolled in college
- addresses the financial gap that continues to grow between the cost of college and a family's ability to pay for it

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# BUILDING A COLLEGE SAVINGS IDA PROGRAM

## Management/Administration

- Drafts and submits federal grant request
- Final student eligibility determination
- Financial oversight of all accounts
- Bank Account communication and management
- Withdrawal activity and tracking
- Grant administration/reporting

## Program Activities/Services

- Outreach & recruitment
- Financial planning
- Deposit monitoring
- Relationship with students/families
- Manage communication with/to students/families/colleges
- Fundraising for program expenses
- Higher Education Partnerships and community partners

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# IDA MATCHING PROCESS

1. **Participant reaches savings goal (\$500 or \$1,000)**
2. **IKIC verifies the participant is receiving the nonfederal matching source for the academic year (i.e. IKIC grant/Project Grad/Founders')**
3. **IKIC verifies that participant has completed financial planning hours**
4. **IKIC sends a letter to the student to congratulate them on completing the program and to invite them to continue on as a second/third year participant**
5. **IKIC submit payments directly to institutions for qualified students, which includes the participants' savings and the match**

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# SAVE SMART FINANCIAL PLANNING

- **In Class Session:**

- Offered approx. 6 times per year at the IKIC office to accommodate college students' schedules

- Workshop consists of the following topics (4-5 hours):

- Understanding Credit

- Understanding Financial Aid

- Real Money Real World (adapted for college-aged students)

- Budgeting/Saving

- Basics of Taxes

- **Online Module:**

- Offered through Decision Partners ([www.financialliteracy101.org](http://www.financialliteracy101.org))

- 24 hours accessibility

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# IKIC'S IDA OPTIONS

## Save Smart Sr.

Eligible high school juniors, seniors, current college students and their families who meet income and IKIC funding requirements, save \$500 over a minimum of 6 months, and complete over four hours of financial planning offered by IKIC

	Student's Savings	IDA Match	IKIC Grant	Total
College Year 1	\$500	\$1,000	\$1,200	\$2,700
College Year 2	\$500	\$1,000	\$1,200	\$2,700
College Year 3	\$500	\$1,000	\$1,200	\$2,700
College Year 4	\$500	\$1,000	\$1,200	\$2,700
<b>TOTAL</b>	<b>\$2,000</b>	<b>\$4,000</b>	<b>\$4,800</b>	<b>\$10,800</b>

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# IKIC'S IDA OPTIONS

## Save Smart Jr.

Eligible 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> graders and their families who meet income guidelines and will meet IKIC funding requirements upon HS graduation, save \$1,000 over three-five years, and complete a select number of financial planning hours per year by IKIC

	Student's Savings	IDA Match	IKIC Grant	Total
College Year 1	\$1,000	\$2,000	*\$2,000	\$5,000
College Year 2	\$500	\$1,000	\$1,200	\$2,700
College Year 3	\$500	\$1,000	\$1,200	\$2,700
College Year 4	\$500	\$1,000	\$1,200	\$2,700
<b>TOTAL</b>	<b>\$2,500</b>	<b>\$5,000</b>	<b>\$5,600</b>	<b>\$13,100</b>

\*JPMorgan Chase Foundation will donate \$800 to each family receiving the IKIC grant for the first year of college

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# SAVE SMART SUCCESS TO DATE

- **Over five years, participants have successfully completed over 450 Save Smart matches with over \$1M in savings and contributions made towards post-secondary education**
- **Participants have completed over 1,800 hours of financial planning**
- **Fall 2015 marks the first Save Smart Jr participants that have received their \$5,000 match and saving towards their first year of college**

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**QUESTIONS???**



## Applying for AFI

## Key AFI Requirements

- ▶ Cost Sharing: Awards require 100% cash match from non-federal sources.
- ▶ Limitation on Uses of Funds: 85% of project funds must be used to match participant IDA savings.
- ▶ Qualified Expenses: AFI IDAs may be used to purchase a first home, capitalize a business, or fund post-secondary education or training.
- ▶ Matching Participant Savings: Specific requirements related to administration of the project (savings period, match cap, financial institutions).

# Identifying Potential Funders

*For each of your asset goals, determine:*

- ▶ Aside from the IDA accountholders, who else shares these goals?
- ▶ Who else benefits from your success?
  - Private sector: lenders, education & training institutes, etc.
  - Public sector: local government, CDCs, etc.
- ▶ Who is already funding this work? What existing sources of funding can you leverage?
  - Examples: downpayment assistance, scholarships

## Sources of Non-federal Funds

- ▶ Financial institutions and their foundations
- ▶ State and local governments, including tax credits
- ▶ Tribal governments
- ▶ United Way
- ▶ Foundations (local, regional)
- ▶ Applicant organization funds
- ▶ Funds directed to specific goals (i.e., scholarship funds, downpayment assistance funds)
- ▶ Special needs funding opportunities (mental health, youth programs, disability programs, and other nonfederal funding streams that target specific populations)
- ▶ Locally-based corporations/employers
- ▶ Places of worship
- ▶ Individuals/online donations
- ▶ Civic/fraternal organizations
- ▶ Local business associations or industry sectors (e.g. Realtor donations)

## How's the Fit?

- ▶ For your organization:
  - Experience in administering AFI projects or similar programs helping low-income people pursue the goals of homeownership, post-secondary education, or business development?
  - Capacity to implement project (including partners)?
  - Resources available for project?
  - Accounting/financial records systems?
  
- ▶ For your service area and target population:
  - Eligibility and demand for allowable asset purchases?
  - Viability of the proposed project with regard to the asset purchases included in the design?

## AFI Funding Opportunity

### ▶ Funding Opportunity Announcement (FOA)

- Available at <https://www.acf.hhs.gov/grants/open/foa/index.cfm?switch=foa&fon=HHS-2015-ACF-OCS-EI-1005> or through the link at <http://www.IDAresources.acf.hhs.gov/Apply>
- Next application due date: **October 13, 2015**
  - Pending funding availability, there are also application due dates expected in April and October 2016, and April 2017.



## Next Steps

1. Share AFI information with agency leadership, partners, and staff
2. Contact the AFI Resource Center for a copy of the AFI Application Kit and to join the mailing list
3. Learn from other Prospective Grantee Webinars posted at [www.IDAresources.acf.hhs.gov/Apply](http://www.IDAresources.acf.hhs.gov/Apply):
  - Introduction to the 2015 FOA
  - Developing Resources and Partners
  - Preparing an AFI Application

## AFI Resource Center

- ▶ The AFI Resource Center is the access point for AFI program technical assistance.
- ▶ Website: [idaresources.acf.hhs.gov](http://idaresources.acf.hhs.gov)
  - Includes information for potential applicants
  - Grantee Locator:  
<http://idaresources.acf.hhs.gov/afigrantees>
- ▶ Help Desk:
  - **Phone:** 1-866-778-6037
  - **Email:** [info@idaresources.org](mailto:info@idaresources.org)

# *Building Financial Capability: A Planning Guide for Integrated Services*

## ■ **What is it?**

- An interactive guide to help organizations develop a comprehensive plan for **integrating financial capability services** into their existing programs (e.g. TANF, housing, job training)
- Prepared by CFED for the Administration for Children and Families

## ■ **Who should use it?**

- Any organization (public or private), whose mission includes serving low-income communities or providing social services
  - E.g. human services agencies, community colleges, faith-based organizations
- Program managers & directors at these organizations

## ■ **Why integration?**

- Integrated approach meets clients where they are and simultaneously addresses multiple interrelated challenges
- Adding financial capability services can help enhance the outcomes of an organization's core programs

## *Building Financial Capability:* **Overview of Contents**

**13 field-tested, practical tools** walk organizations step-by-step through the integration planning process including:

- Understanding clients' financial issues and identifying financial capability services to meet their needs
- Assessing the resources (in-house and in the community) available for integrating financial capability services
- Determining how to provide these services (refer, partner, or do-it-yourself)
- Developing in-house capacity to provide services, if appropriate
- Creating successful partnerships or referral systems with other service providers, if appropriate
- Making the case for integration to internal and external stakeholders

# Building Financial Capability



BUILDING FINANCIAL CAPABILITY A Planning Guide for Integrated Services MENU

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Available for download at: <http://1.usa.gov/1FxrLnE>