

Launching Your AFI Project

*FY 2015 AFI Grantee Orientation:
Webinar 2*

November 19, 2015



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

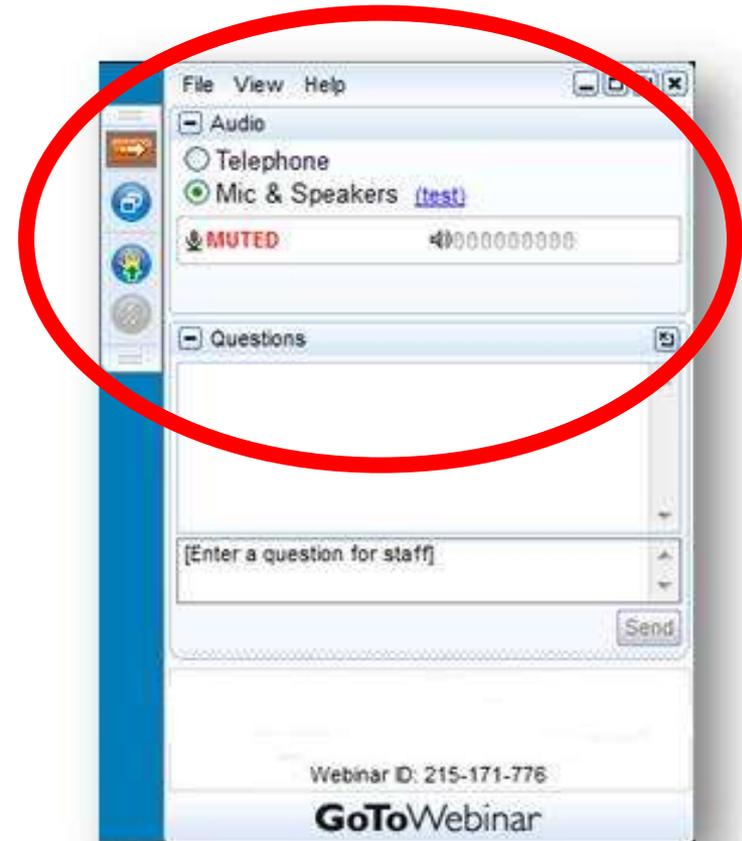


Introduction of Speakers

- Parker Cohen, Senior Program Manager, CFED
- Megan Bolado, Program Manager, CFED
- Stephanie Landry, Program Manager, CFED

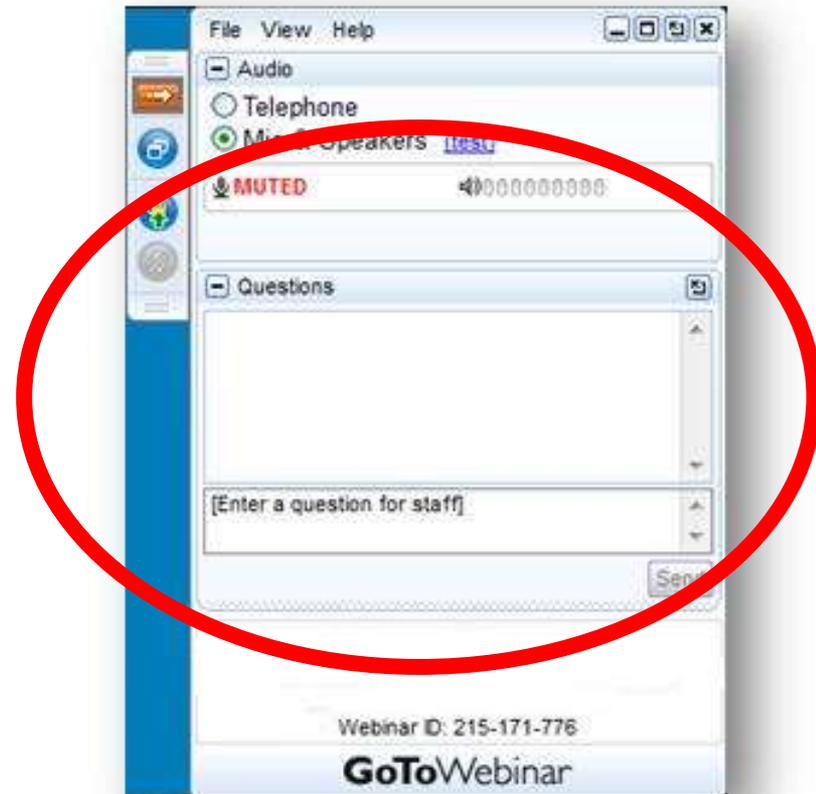
Connecting to Audio

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 - Listen on your computer by clicking the option on the Control Panel.
 - Connect your speakers or a headset to your computer for best quality



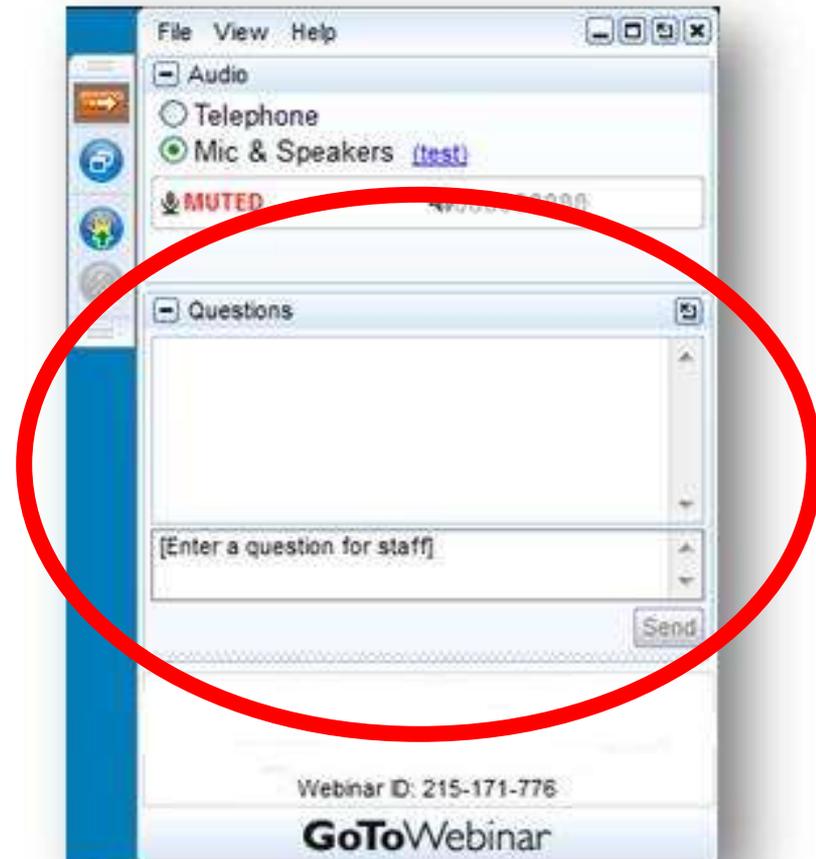
Technical Issues & Questions

- Having technical difficulties?
 - Use the questions box
 - Email slandry@cfed.org
- Use the question box in your webinar control panel to ask questions at any time. We will answer questions at the end of the presentation.



Housekeeping

- This webinar is being recorded!
 - All attendees are muted to ensure sound quality
 - A video recording and transcript will be available on idaresources.acf.hhs.gov at a later date.
- The webinar will last approximately 90 minutes.



Webinar Objectives

We will:

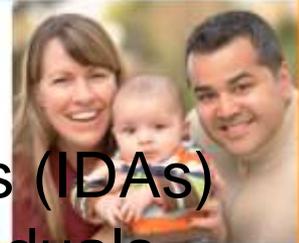
- ✓ Provide a review of **AFI program fundamentals and requirements**
- ✓ Provide steps to create and formalize an **implementation plan** for your new AFI grant.
- ✓ Discuss **tools and resources** to assist you with critical **project design elements** to successfully launch your AFI Project.

AFI Program Fundamentals and Requirements



Overview of AFI Program

Grantees provide Individual Development Accounts (IDAs) and related services to **eligible** low-income individuals



AFI IDA Participant Accounts are special withdrawal-restricted savings accounts

Participant IDA Account

Participant Deposits

Participants can only make deposits, not withdrawals, from these accounts except under specific circumstances with the grantee's signature

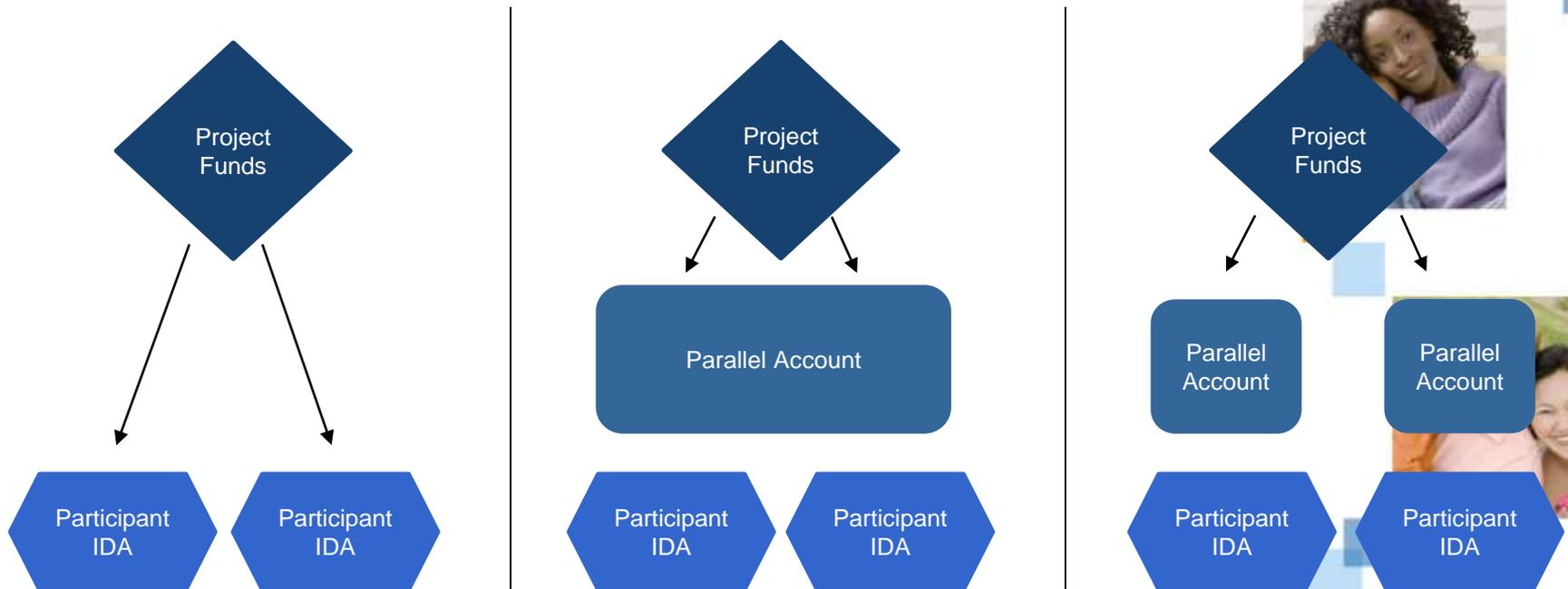
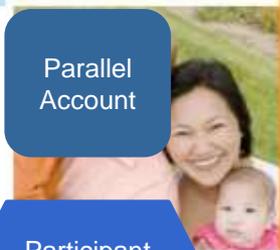


Participants make deposits in their accounts from **earned income** for a minimum of **6 months**.



Overview of AFI Program

Grantees use project funds to **match participant savings** at a standard rate according to **Grantee Savings Program design**.



Overview of AFI Program

Participants who have completed Grantee Program Design requirements are then able to purchase an allowable asset:



First Home



Post-Secondary
Education or Training



Business Capitalization

** Or a transfer to a dependent or spouse for one of these purposes.

AFI Guidelines: Essential Rules and Regulations



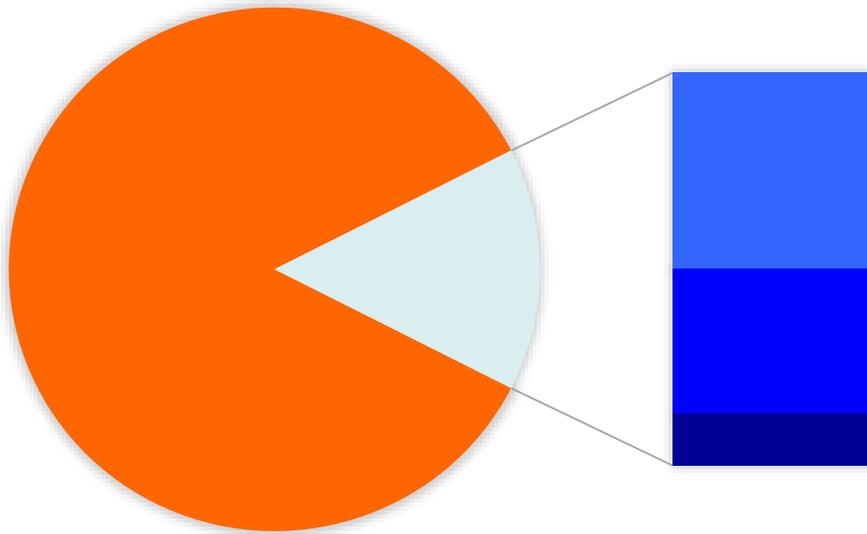
Basic Rules and Regulations

All AFI grantees must manage their project in accordance with:

- The AFI Act:
<http://www.acf.hhs.gov/programs/ocs/resource/afi-legislation-0>
- Federal grants policies, including the HHS Grants Policy Statement:
http://www.hhs.gov/asfr/ogapa/aboutog/ogpoe/grants_mgmt_policy_sources.html

Limitation on Uses of Project Funds

At least **85%** of the project funds to match participant IDA savings



Up to **7.5%** of the AFI grant funds for administrative costs

Up to **5.5%** of the AFI grant funds for non-administrative functions

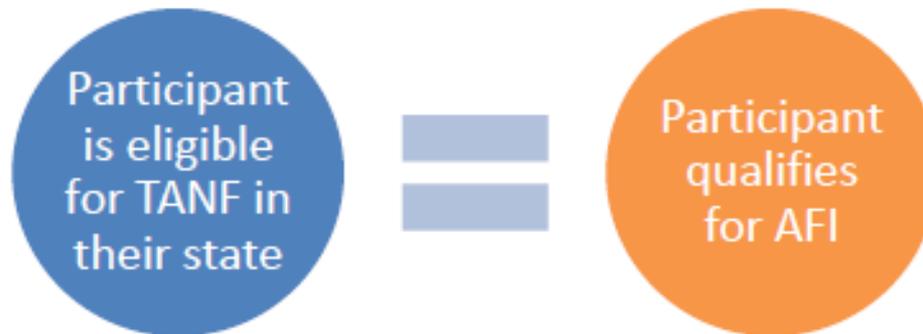
Not less than **2%** of the AFI grant funds for the collection of data and other information required for evaluation

Participant Eligibility

There are two ways to determine eligibility:

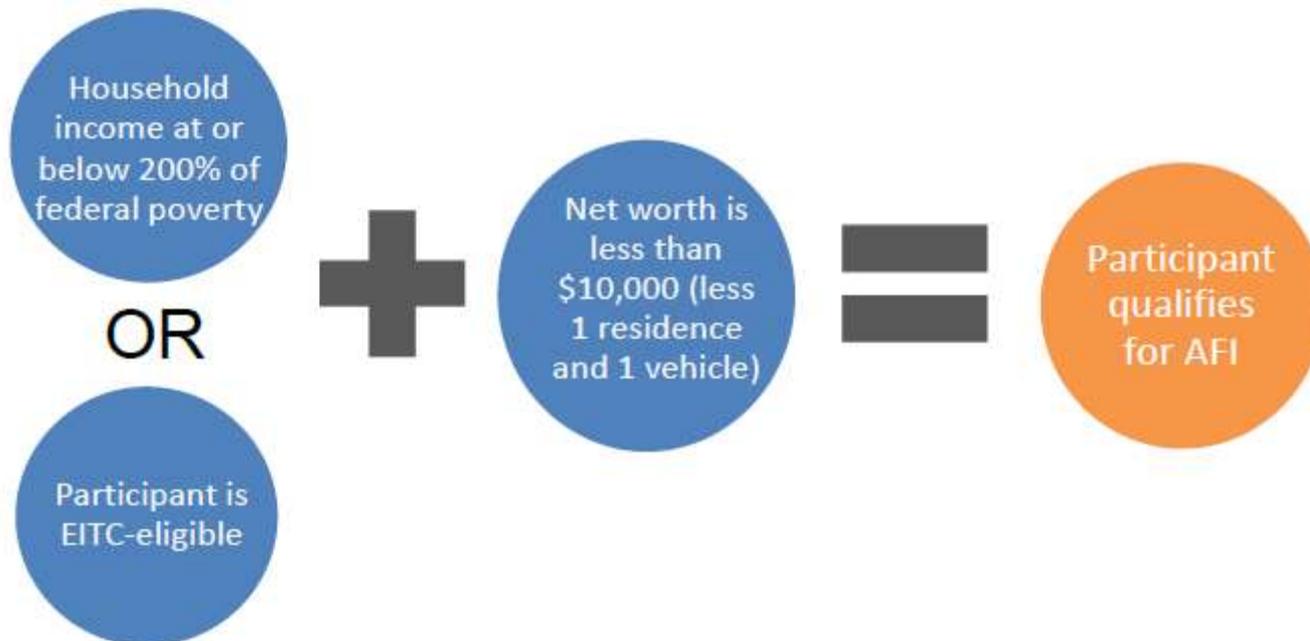
Participant Eligibility

- 1. TANF-eligible:** If a participant is eligible for TANF (Temporary Assistance for Needy Families) in your state, that participant *automatically* qualifies for AFI

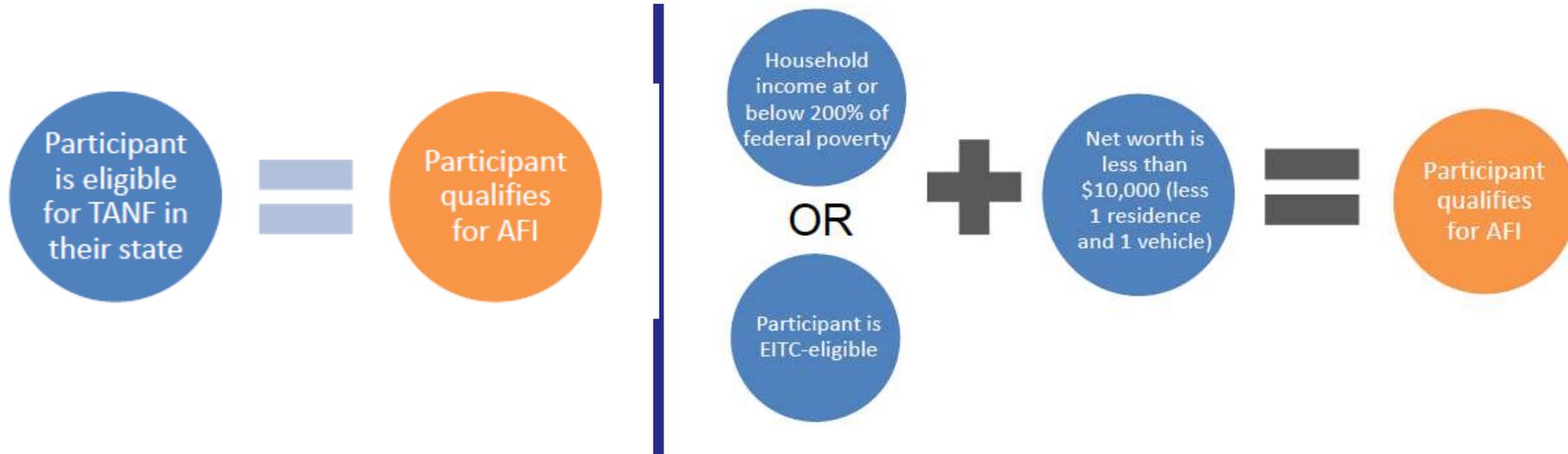


Participant Eligibility

2. Any individual who is a member of a household that meets both an **income test** and a **net worth test**



Participant Eligibility



Match Rate

- Grantees may set the match rate within the following range: \$1-\$8 of project funds for each dollar of participant savings.
- No more than \$2000 *of federal match* from one AFI grant may be provided to an individual and no more than \$4000 *of federal match* to a household.

Participant Deposit	Match Rate	Grantee Match
\$1	1:1	\$1
\$1	1:2	\$2
\$1	1:3	\$3
\$1	1:4	\$4
\$1	1:5	\$5
\$1	1:6	\$6
\$1	1:7	\$7
\$1	1:8	\$8

Matching Participant Deposits

AFI grants operate under different cash management rules than most grants: Section 410 of the AFI Act requires grantees to match participant deposits not less than once every 3 months.

Therefore:

Grantees must have sufficient federal and nonfederal cash on hand to cover obligations to participants.

Access to Financial Education

AFI grantees must provide participants access to financial education.

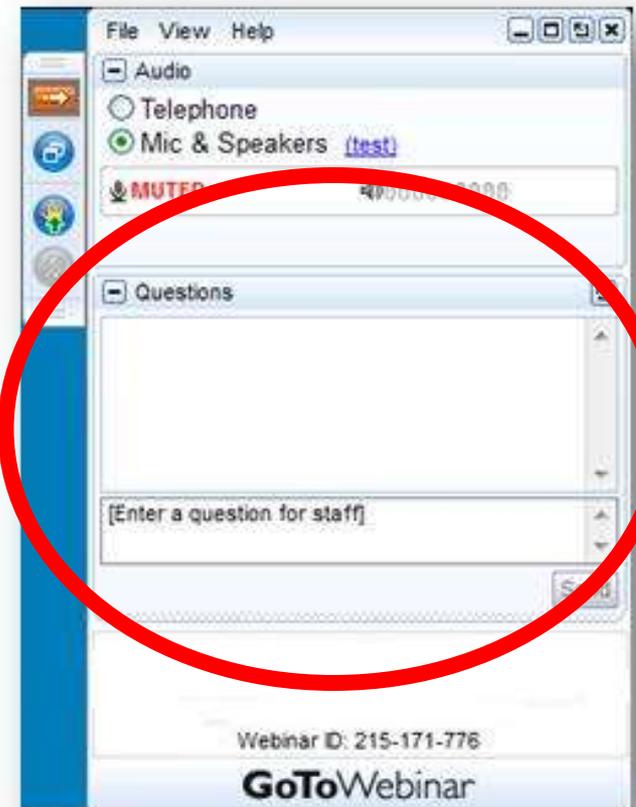
Examples of types of
Financial Education



- Homebuyer classes
- Credit Counseling
- Budgeting
- Financial Literacy
- Financial Coaching
- Financial Aid Counseling
- Small Business Courses

Questions?

- Ask your questions using the box on the right side of your screen



Develop Implementation Plan





Step 1: Confirm Project Design

- Review your grant application and make changes if necessary
- Identify target population, allowable asset purchases, and match rate



Step 2: Confirm/Formalize Partnerships

- Identify/partner with financial institutions and organizations that serve your target population or provide complementary services
- Establish oversight plan



Step 3: Develop Policies & Procedures

- Establish policies and procedures in order to ensure that processes and rules are clear and consistently applied and help create “institutional memory”



Step 4: Establish Recruitment Goals & Strategy

- Determine enrollment goals
- Identify and engage savings ready participants



Step 1: Confirm Project Design





Set up Project Reserve Fund

- See Webinar 1 for details on the critical process of setting up your Project Reserve Fund and accessing your AFI grant.
- Deposit non-federal dollars into the Project Reserve Fund as soon as possible.
- Contact your AFI Program Specialist if you have additional questions.



Review Grant Application

- Review and assess project design in your original application
- Consider the following questions during your review:
 - Does the proposed project align with the AFI Act?
 - Have there been any organizational changes that will affect the project?
 - What is your target population, match rate, participant savings goals, and savings period? How many asset purchase can your grant support?
- If any changes need to be made, speak to your program specialist!

AFI Act: <http://www.acf.hhs.gov/programs/ocs/resource/afi-legislation-0>



Project Design – Target Population

- Assess the needs and opportunities in your community to further define your target population:
 - Employment rates of low-income households
 - Demographic characteristics
 - Area housing market and small business trends
 - Community banking connections
 - Existing asset-building resources



Project Design – Target Population

- Be mindful of federal requirements:
 - AFI Act eligibility and participation requirements
 - Federal anti-discrimination requirements – grantees may not screen out eligible applicants because of race, religion, national origin, age, gender, disability, etc.



Project Design – Allowable Assets

- Allowable assets under AFI:



First Home



Post-Secondary
Education or Training



Business Capitalization

Public Housing Partnerships: <http://idaresources.acf.hhs.gov/page?pageid=a047000000DgX2gAAF>

IDAs for Small Businesses: <http://idaresources.acf.hhs.gov/page?pageid=a047000000lc35rAAB>

Best Practices for Developing Successful Education IDA Programming:

<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001amM0AAI>



Project Design – Match Rate



Participant Savings	Match Rate	Maximum AFI Match Amount	Non-federal Match Amount	Total for Asset Purchase
\$4,000	1 to 1	\$2,000	\$2,000	\$8,000
\$2,000	2 to 1	\$2,000	\$2,000	\$6,000
\$1,000	4 to 1	\$2,000	\$2,000	\$5,000
\$500	8 to 1	\$2,000	\$2,000	\$4,500

Adjusting Participant Match Rate:

<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001tMi3>



Step 2: Develop and Formalize Partnerships





Confirm and Develop Partnerships

- Partnerships are key to AFI project implementation and should be formalized with signed agreements.
- These partnerships include:
 - Financial institutions
 - Recruitment-related partners
 - Implementation partners, including organizations that provide financial education and other supportive services.



Financial Institution Partner(s)

- Establish a Written MOU with Financial Institution Partner(s)
- Critical IDA account characteristics to consider:
 - Withdrawal limited
 - Low or no cost to the saver
 - Multiple deposit options
 - Convenient branch locations
 - Monthly account statements provided to saver and IDA program
 - Emergency withdrawal with grantee approval in 24 hours or less (AFI Sec. 404 (3))

Financial Institution Partnerships for IDA Programs Webinar:

<http://idaresources.acf.hhs.gov/page?pageid=a047000000DhRexAAF>

Sample Financial Institution Partner Agreement:

<http://idaresources.org/page?pageid=a047000000Ar7qR>



Developing Referral Partnerships

- What organizations serve your target population?
 - Examples include: Head Start, workforce development agencies, community colleges, TANF, VITA sites, and others
- What organizations provide complementary services?
 - Financial aid offices at local colleges
 - Small business/microenterprise development centers
 - Housing counseling agencies
- Identify businesses interested in boosting employee retention and skills
- Use the Referral Tool (Tool 9) in *Building Financial Capability: A Planning Guide for Integrated Services* to plan your referral partnership.

Strategic Partnerships for IDA Programs Webinar:

<http://idaresources.acf.hhs.gov/page?pageid=a047000000DhO4oAAF>

Strategies for Leveraging Employer-based IDA Partnerships:

<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001b6vrAA>

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Building Financial Capability: A Planning Guide for Integrated Services:

http://www.acf.hhs.gov/sites/default/files/ocs/afi_resource_guide_building_financial_capability_final.pdf



Oversight of Partners

- Establish an oversight plan to guarantee that all project partners comply with all AFI and project requirements
- Consider the following:
 - Quality Assurance
 - Monitoring / Site Visits
 - Detailed agreements
 - Data collection protocols
 - Roles and responsibilities
 - Training & Technical Assistance



Step 3: Develop Policies and Procedures





Develop Policies & Procedures

- A **policy** is a principle to guide decisions and achieve intended outcomes. As a statement of intent, it is implemented as a **procedure**
- These policies and procedures will:
 - Ensure that processes and rules are clear and applied consistently
 - Help create “institutional memory”
 - Include both AFI requirements and internal requirements based on your project design.



Key Policies and Procedures

- Participant Eligibility, Proof of Earned Income & Application requirements including Designation of Beneficiary and Identification
- Savings Plan Agreement
- Asset Specific Requirements
- Business Plan Approval Process
- Financial education requirements
- Procedures for Withdrawals - qualified asset purchases, emergencies, termination
- Data Collection
- Partnerships and Oversight
- Agency Policy for participant complaints



Application/Enrollment Policies & Procedures

Requirements:

- AFI Eligibility – Household income and net worth or TANF eligibility (AFI Sec. 408)
- Earned income for deposits (AFI Sec. 410)
 - AFI Act references Internal Revenue Code definition of earned income - generally wages, salaries, or professional fees.

Considerations:

- What documentation will you require to document eligibility?

Resources: IRS - What is Earned Income? <http://www.irs.gov/Individuals/What-is-Earned-Income%3F>
Determining Participant Eligibility: <http://idaresources.acf.hhs.gov/page?pageid=a047000000ld2DvAAJ>
AFI IDA Eligibility Worksheet: <http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001sMzH>



Project Policy – Savings Plan

- Savings Plan Agreement - outlines a set of rules and responsibilities between saver and the AFI IDA project
- Key components include:
 - Savings goals and timeframe for completing them (no less than 6 months)
 - Match rate for the type of asset goal
 - Asset-specific requirements
 - Withdrawal procedures for asset purchases and for emergency withdrawals
 - Name of beneficiary in event of participant death
 - Conditions for the saver to maintain good standing, if applicable

Resource: Sample Savings Plan Agreement:

<http://idaresources.org/servlet/servlet.FileDownload?file=01570000000kinv>



Project Policies - Financial Education

Requirements:

- Assist participants to acquire the knowledge and skills necessary to achieve economic self-sufficiency [\(AFI Act Sec. 407\(c\)\)](#)
- AFI grantees may provide both general financial education as well as asset-specific education

Considerations:

- What will you offer to and require of participants?
- What will be the delivery methods, providers, and curricula used?
- What will be the schedule, availability, and frequency?

Resource: IDA Resources Financial Education Page

<http://idaresources.acf.hhs.gov/page?pageid=a047000000ApiTG>



Project Policies - Asset-Specific Requirements

Requirements:

- Each asset purchase has specific requirements in the AFI Act (Sec. 404), such as:
 - First-time homebuyer definition
 - Eligible educational institution definition
 - Qualified plan definition for business capitalization IDAs

Considerations:

- AFI requirements must be integrated into your policies and procedures.
- Are you requiring any asset-specific training?



Project Policies – Withdrawal Procedures

- Asset Purchase Withdrawals
- Emergency Withdrawals
 - AFI Act Section 404(3)
- Other Withdrawals (i.e. termination, unenrolled participants)



Project Policies – Data Collection

- Utilize a system to track participants' progress over time
 - Date of Application (Intake) and date their IDA account was opened
 - Amount deposited and frequency of deposits
 - Financial education completed
 - Asset-specific education completed
 - Assets purchased
- Conduct scheduled check-in meetings with participants
- Use tracking software to monitor obligations and expenditures.

Resource: AFI Participant Tracking Form

www.idaresources.org/servlet/servlet.FileDownload?file=01570000001sMzW



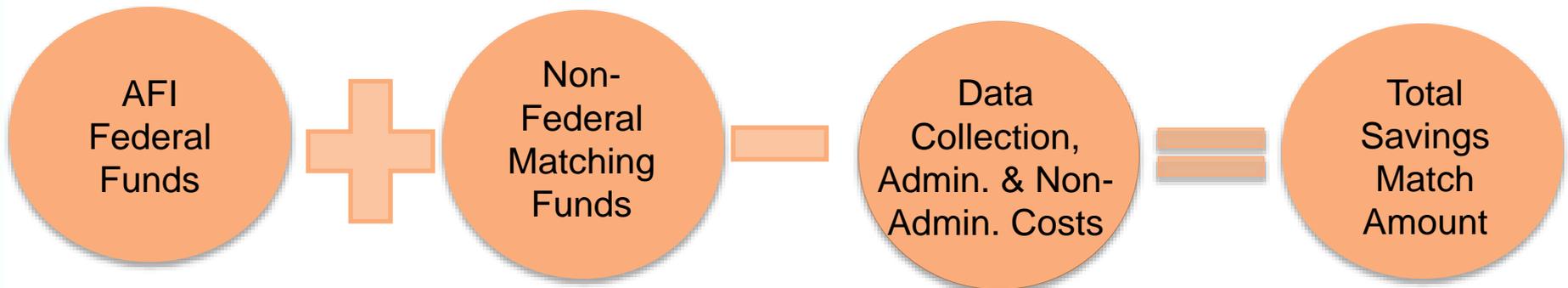
Step 4: Establish Recruitment Goals and Strategy



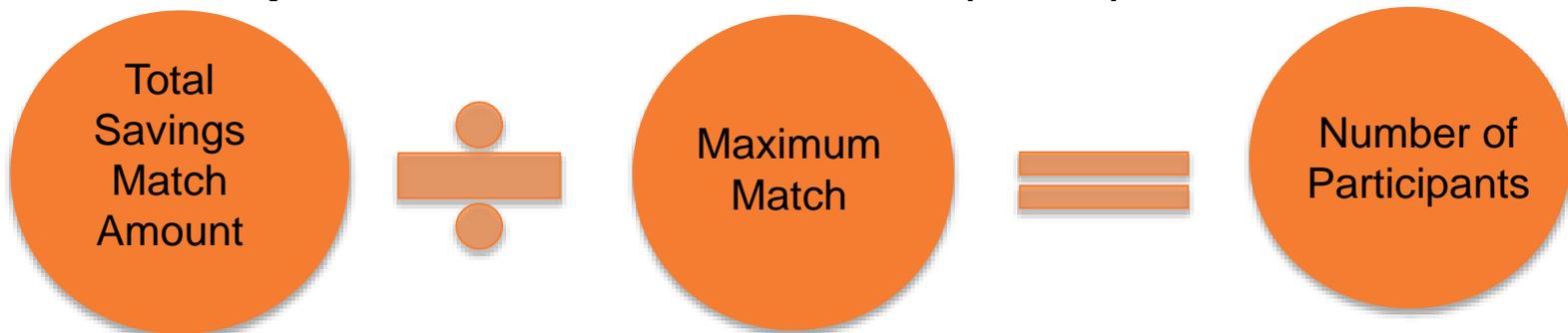


Determine Enrollment Goals

Step 1: Calculate Amount Available for Savings Matches



Step 2: Calculate the Number of participants to Enroll

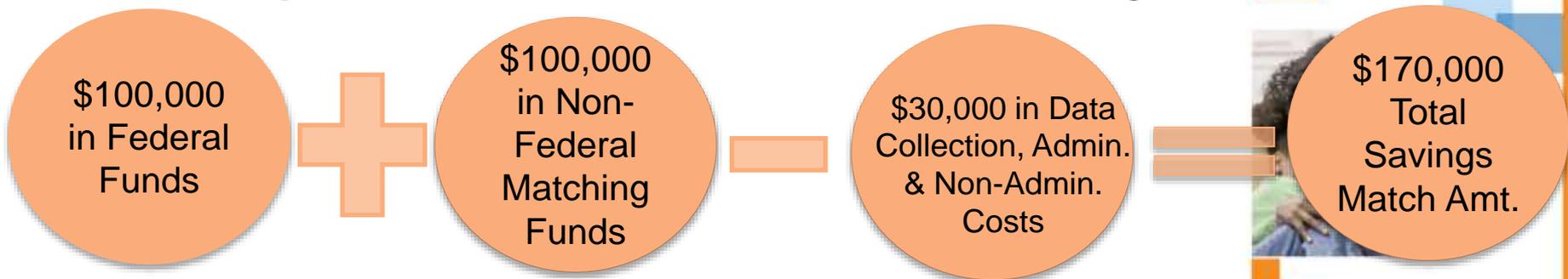




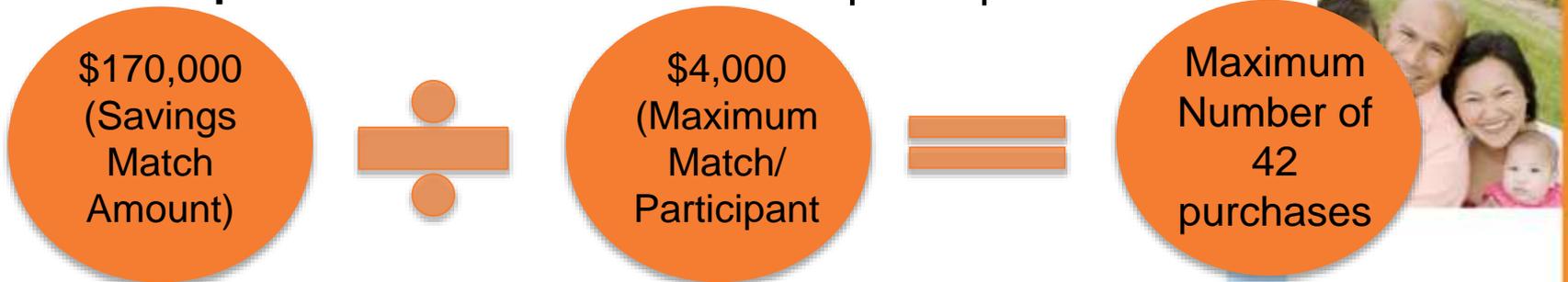
Example: Calculating Number of Participants for \$100,000 Grant



Step 1: Calculate Amount Available for Savings Matches



Step 2: Calculate the Number of participants to Enroll





Recruitment Strategies

- Language/cultural awareness
- Social media and locations of potential participants
- Positive messaging
- Effective messengers
- “Deep” outreach vs. wide net
- Outreach types (printed materials, presentations, newspaper or radio ads, social media)



Identifying Savings-Ready Participants

- Participants should be:
 - In a position to save
 - Motivated to complete goals
 - Able to open and maintain a banking account for a minimum of six months
- Strategies
 - Internal recruitment
 - Outside referrals
 - Readiness Assessment Tools (e.g., credit checks for potential home buyers)

Resource: Tips for Recruiting AFI IDA Participants Who Are Ready to Save:
<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001rAgj>



How to Boost Enrollment

- Provide streamlined, easy to read application materials; provide materials in other languages
- Keep steps for enrollment clear and concise; communicate document requirements
- Create quick next steps and be responsive
- Facilitate participants opening accounts quickly and easily
- Develop a waiting list and keep those waiting engaged through other programs and services
- Adopt best practices from other programs

Resource: Behavioral Strategies for a Successful IDA Program:

<http://idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=01570000001b4zRAAQ>

Moving Forward with your Implementation Plan



TA Resource: Benchmarking Tool

- How can grantees use it?
 - Set goals and benchmarks for project implementation
 - Track progress over time
 - Make course corrections
- <http://www.idaresources.acf.hhs.gov/servlet/servlet.FileDownload?file=015700000025sKu>

The Benchmarking Tool

Part 1: Benchmarking Guide

- Project Milestones
- Benchmarking Recommendations

Part 2: Benchmarking Calculation Tool

- Step 1: Enter grant information
- Step 2: Set annual benchmarks
- Step 3: Compare progress against benchmarks
- Step 4: Adjust work plan

Program Milestones



Milestone 1: Deposit non-Federal matching funds.



Milestone 2: Draw down Federal funds.



Milestone 3: Open all participant IDAs.



Milestone 4: All participants complete financial education and asset-specific training, according to program requirements



Milestone 5: All participants complete their asset purchases.



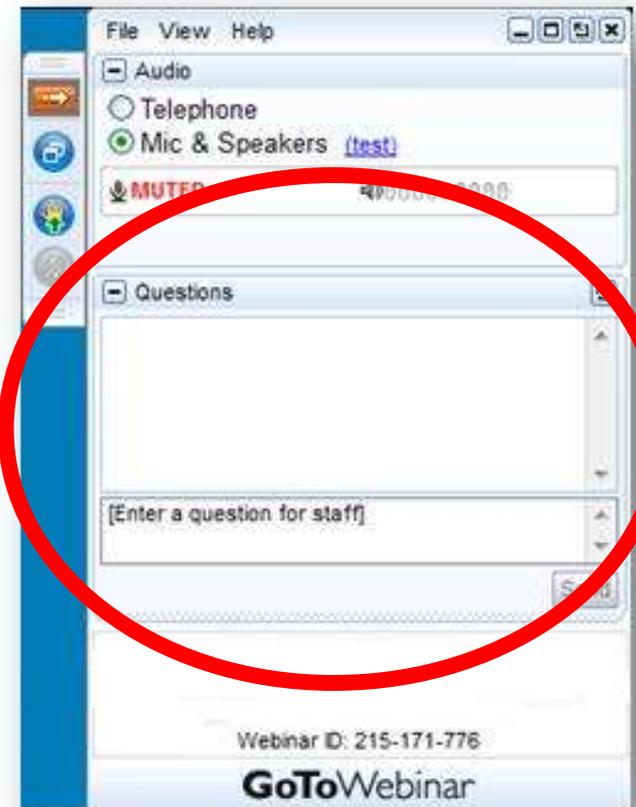


Your AFI Implementation Plan Summary

- Set up your Project Reserve Fund, review your application, and make key design decisions
- Confirm / Formalize project partners
- Develop policies and procedures
- Create a recruitment strategy
- ★ **Speak early and often with your Program Specialist**
- ★ **Use the AFI Resource Center & other available resources**

Questions?

- Ask your questions using the box on the right side of your screen



Other Grantee Orientation Webinars

- **Webinar 3: Data and Reporting** - Tuesday, December 8th, 2:00-3:30 PM EST
 - This webinar will explain the types of reports you are required to file and the reporting dates. The webinar will also include discussion of using data to manage your project.

AFI Resource Center

- Home: idaresources.acf.hhs.gov
 - Calendar: <http://idaresources.acf.hhs.gov/Calendar>
-
- Help Desk:
 - Email: info@idaresources.org
 - Phone: 1-866-778-6037

Thank You!

