

2004



NATIONAL CREDIT UNION ADMINISTRATION
OFFICE OF CREDIT UNION DEVELOPMENT

Mentoring Initiative

Technical Assistance Grant Guidelines



Technical Assistance Grant Guidelines

Mentoring Initiative


 National Credit Union Administration
Office of Credit Union Development
1775 Duke Street
Alexandria, Virginia 22314
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Introduction

The Community Development Revolving Loan Fund (CDRLF) was established by an Act of Congress to stimulate economic development in low-income communities.

The National Credit Union Administration (NCUA) makes low – interest loans/deposits available to assist credit unions in delivering financial services to their members and improving their long-term growth and stability. The interest generated from the loans is used by NCUA to provide technical assistance grants to credit unions. Congress, for fiscal year 2004, has also appropriated \$1 million dollars for the NCUA technical assistance grant program. These grants are provided to improve the quality of services to members and make more efficient the operations of low-income credit unions.

Mentoring Initiative

The National Credit Union Administration's (NCUA) Small Credit Union Program – announced as a national initiative in 1999 – is a multifaceted effort to assist smaller credit unions in sustaining viability. In addition to agency staff providing direct assistance to those smaller credit unions, the agency has encouraged well operated-mainstream and low-income designated credit unions to assist those credit unions, committed to furthering their financial service delivery to members, through a mentoring relationship.

Many of the mentoring relationships developed between credit unions demonstrate innovative approaches in augmenting the operations of smaller institutions through the sharing of personnel, technology, space, and ideas. Mentoring has resulted in additional services for members in those mentored credit unions and a greater appreciation of both parties in the mentoring relationship of the challenges each face in providing the financial service their members seek and deserve.

Mentoring Initiative
Technical Assistance Grant Program

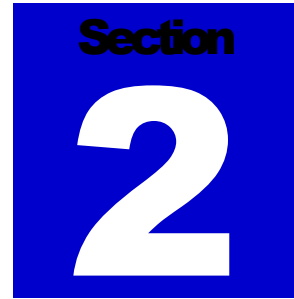
Credit unions have a long history in the United States of sustainable community development, with ninety-five years of providing successful cooperative financial service, with the philosophy of people helping people help themselves. Credit unions have demonstrated a cooperative spirit amongst themselves, forming alliances, service organizations, and trade organizations with each other all with the intent of enhancing the cooperative financial community.

To further this effort and focus the initiative on those credit unions where the majority of their members are deemed low-income, this grant initiative will provide funding opportunities to those well-operated mainstream and low-income designated credit unions who develop and implement a mentoring relationship with low-income designated credit unions that result in the improved operations and services to members. Technical assistance from the Community Development Revolving Loan Fund (CDRLF) is being allocated – in the amount of \$50,000 -- toward the Mentoring Initiative.



The following guidelines address the specifics of the funding opportunities available to credit unions interested in implementing or augmenting a mentoring relationship with low-income designated credit unions.

Please review them carefully and make sure you qualify. You may direct any questions to the Office of Credit Union Development at the NCUA at 703-518-6610.



Eligibility and Evaluation Criteria

Only credit unions that design and implement a mentoring initiative with low-income designated credit unions are eligible to participate in the program.

Mentored credit unions are deemed low-income designated where:

- Federal credit unions have a current low-income designation from the National Credit Union Administration (NCUA) regional director where they reside.
- State credit unions have a current low-income designation from their state supervisory authority (SSA) with NCUA regional director concurrence.

Low-income designated student credit unions are currently not eligible to be a beneficiary of the mentoring initiative.

Funding Limitations

Funding limitations are a function of available dollars. For this funding initiative, NCUA is making \$50,000 available in technical assistance grants (TAG) to assist credit unions in implementing or augmenting a mentoring program for a low-income designated credit union. It is anticipated that average grant awards will be \$5,000.

The Funding Cycle

This program is funded under Congressional appropriation for fiscal year 2004 which ends September 30, 2004. Accordingly, all funds requests must be evaluated and obligated by that date. For that reason, we will open the application period for this initiative on May 15, 2004. The funding availability for this program will cease on August 31, 2004. Funds will be disbursed on a first come first served basis.

Technical assistance is a reimbursable award. Accordingly, credit unions will be required to submit evidence of qualifying expenditures along with other pertinent evidentiary program statistics to substantiate their request for reimbursement. All requests for reimbursements must be submitted no later than December 31, 2004. The credit union will subsequently be reimbursed up to the extent of the approved technical assistance grant. **NOTICE: Reimbursement will not be made if documentation discloses the goods and/or services are paid for or committed to prior to receiving approval of the TAG.**

Application Submission

Applications must be submitted by close of business August 31, 2004. Credit unions **must** complete the appropriate NCUA technical assistance application forms (see enclosed forms). Application packets must also include sufficient information to justify the necessity of all projected expenditures in the development, implementation, and/or augmentation of the mentoring initiative and include agreements between the mentoring partners. The agreements will need to stipulate the specific activities/programs/services that the mentoring credit union will provide and the expected results of the mentoring relationship.

Applications received after the application period will not be processed or considered.

Method of Submission

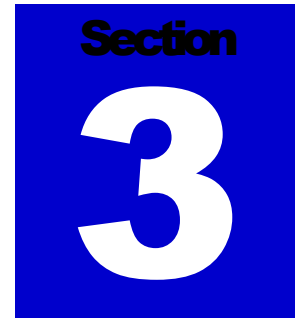
Applications may be mailed to:
National Credit Union Administration
Office of Credit Union Development
1775 Duke Street
Alexandria, VA 22314-3428

Applications may be faxed to: 703-519-4080
Applications can be e-mailed to: ocudapps@ncua.gov.

Generally, applications must be submitted by close of business on the date specified in the announcement. Applications received after that time will **not be considered**. Withdrawal of an application may be made at any time during the application process or prior to the time the grant and loan are awarded. **All withdrawals must be made in writing.**

Notification of Award Decisions

Applicants whose proposals are approved will generally be notified in writing within 30 days of the date of receipt of their application. Those not approved will likewise be notified in writing within 30 days as to the reasons for denial. Applicants may appeal decisions to the Director of the Office of Credit Union Development in writing.



Reimbursable Expenditures

The intent of the Technical Assistance Grant (TAG) Program is to assist credit unions in defraying the costs of developing and implementing or augmenting a mentoring program for a low-income designated credit union. Recognizing that credit unions incur administrative and operational expenses in starting up or maintaining programs such as this, this assistance is being made available to offset some portion of those costs. Specifically, this assistance is aimed at providing relief with regard to the following:

Administrative Costs:

Consulting Costs (development of mentoring contracts/procedures)

Legal Assistance Costs (obtaining legal opinion for mentoring services/programs)

Printing and Reproduction Costs

Supplies

Rental Costs (chairs, tables, projectors)

Marketing & Advertising (brochures, radio & other media)

Travel Expenses (mileage for volunteers/staff, cab, parking, etc.)

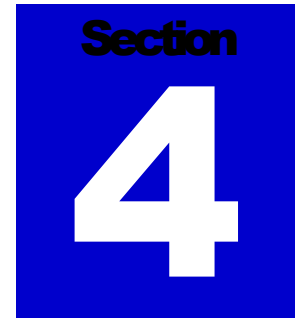
Operational Costs:

Equipment Installation Costs (electrical service, computers, ATMs, etc.)

Software upgrades (adding computer access, modification of computer programs, etc.)

Occupancy Costs (rental of space)

While the above list is not all inclusive, it represents some general guidelines regarding the definition of acceptable reimbursable expenses. All expenses will be evaluated on a case by case basis. Applicants must explain fully all expenditures and justify their need in writing. ***(Use separate sheet for Narrative Justification of Expenditures)***



Reporting and Reimbursement of Expenditures

When seeking reimbursement, credit unions must submit a final report of activities and provide justification for all authorized expenditures. This final report consist of a written narrative inclusive of the specific services and/or activities provided, and any other information which describes how the program benefited the mentored low-income designated credit union and its membership. The report should further show the actual expenses incurred by the credit union during the facilitation of the program. This section must also explain (justify) how and/or why expenditures were used or necessary to accomplish the objectives of the program. This information is critical to reimbursement.

A sample expense claim form is provided at the end of these guidelines. Applicants must submit their request for reimbursement along with this completed form and any other documentation supporting their claim for reimbursement.



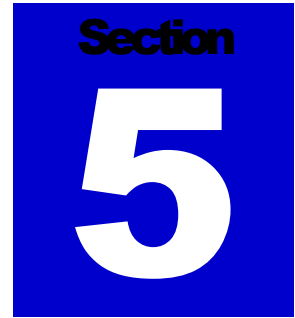
All expense reports related to reimbursements must be submitted to NCUA by December 31, 2004. Failure to do so will result in non-reimbursement. Credit unions may request an extension from NCUA but must justify the need for more time in writing. Approval must be obtained to avoid forfeiture of eligibility for reimbursement. Documents supporting reimbursement may either be mailed or faxed.

Mail to:

***National Credit Union Administration
Office of Credit Union Development
1775 Duke Street
Alexandria, VA 22314-3428***

Fax to:

703- 519-4080



Forms and Dates

Checklist of Forms

1. NCUA Technical Assistance Application Form:

- Narrative response to application questions. Also any supporting information needed to explain how the program will be developed and implemented.
- Projected budget (expenses) needed to operate program.
- Expenditure Report (submit w/reimbursement)
- Narrative Justification of Expenses (submit w/reimbursement)
- Copies of Receipts, Invoices and Cancelled Checks.

Schedule of Due Dates

- 1.** Program opens - May 15, 2004
- 2.** Reimbursement period – through December 31, 2004.

**National Credit Union Administration
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, VA 22314-3428**

**(703) 518-6610
MENTORING INITIATIVE
Application for Technical Assistance**

APPLICANT

Credit Union Name _____

Charter/Ins. Number _____

Mailing Address _____

Credit Union Phone Number _____

Credit Union's E-Mail Address _____

Fax Number _____

Contact Person & Phone Number _____

Employer Identification Number (EIN #) _____

Dun and Bradstreet Number (DBN #) _____

AMOUNT REQUESTED _____

Year Organized _____

Assets _____
Last Month End

Number of Members _____

Potential Members _____

MENTORING PARTNER

Credit Union Name _____

Charter/Ins. Number _____

Mailing Address _____

Credit Union Phone Number _____

Credit Union's E-Mail Address _____

Fax Number _____

Contact Person & Phone Number _____

- I.** Attach a signed copy of a mentoring agreement that stipulates the responsibilities of the parties in the mentoring relationship. This mentoring agreement must indicate the specific services/activities the mentoring credit union will provide and the time frame in which the services/activities will be provided. The mentored low-income designated credit union must acknowledge the need for the services/activities – including the intended results – and agree to its responsibilities in pursuing the intended outcome of the mentoring relationship.
- II.** Provide the most recent month-end Statement of Financial Condition and Statement of Income and Expenses for all mentoring parties. Provide any supplemental worksheet, footnotes or narratives necessary to explain or clarify the financial statements. Also include any budgets detailing projected costs associated with this initiative.
- III.** Describe fully your expected outcome for the mentoring initiative program and how the grant will be used to facilitate it. Please be concise but thorough. Include a prioritized list if funding will cover multiple items. Also, provide a list of vendors who will deliver the goods and/or services. Where appropriate, attach copies of bids, estimates, prices or other supporting documentation. Use additional sheets if necessary to fully describe the activity. **Failure to provide this information will disqualify your application.**

Expenditure Report Form

Mentoring Initiative

EXPENDITURE REPORT FORM for 2004

Administrative Expenditures	Costs
Consulting Costs (development of mentoring contracts/procedures)	_____
Legal Assistance Costs (obtaining legal opinion for mentoring services/programs)	_____
Supplies	_____
Travel Related Expenses	_____
Marketing & Advertising	_____
Training Related Expenses	_____
Printing and Reproduction	_____
OTHER (list)	_____
Total Administrative Expenditures	_____
Operational Expenditures	
Rent/Utilities/Custodial services	_____
Occupancy Related Expenses	_____
Equipment Installation Costs	_____
Software Upgrade Costs	_____
OTHER (list)	_____
Total Operational Expenditures	_____

Attach receipts, invoices and proofs of purchase

Guidelines for the Mentoring Credit Union

The credit union:

- Agrees to establish a mentoring relationship – through a mentoring agreement that stipulates the needed services/activities, the time frame for those services/activities to be provided, and the expected outcome for the credit union and its membership -- with a low-income designated credit union.
- Ensures the low-income designation of the credit union through access to the NCUA's website [National Credit Union Administration - Credit Union Queries](http://www.ncua.gov/indexdata.html) at <http://www.ncua.gov/indexdata.html>
- Agrees to designate a mentoring manager to oversee and monitor the progress of the mentoring program.

Guidelines for Mentored Credit Unions

The mentored credit union:

- Agrees to develop an agreement with a mentoring credit union that stipulates the needed services/activities, the time frame for those services/activities to be provided, and the expected outcome for the credit union and its membership.
- Maintains contact with the mentoring credit union to monitor and discuss progress of the mentoring relationship.
- Agrees to designate a mentoring manager to assess and monitor the progress of the mentoring program.