

2004



NATIONAL CREDIT UNION ADMINISTRATION
OFFICE OF CREDIT UNION DEVELOPMENT

Expanding Service to Underserved Areas Initiative

Technical Assistance Guidelines



NATIONAL CREDIT UNION ADMINISTRATION

Technical Assistance Program Guidelines

Expanding Service to Underserved Areas Initiative


 National Credit Union Administration
Office of Credit Union Development
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Table of Contents

Section 1

Introduction

Expanding Services to Underserved Areas Initiative

Section 2

Eligibility and Evaluation Criteria

Funding Limitations

The Funding Cycle

Application Submission

Notification of Award Decisions

Section 3

Reimbursable Expenditures

Section 4

Reporting & Reimbursement of Expenditures

Section 5

Check lists

Dates

Appendices

Technical Assistance Grant (TAG) Application

Expense Reimbursement Form



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.

Expanding Services into Underserved Areas Initiative

The National Credit Union Administration’s (NCUA) Office of Credit Union Development (OCUD) has long encouraged credit unions to reach out to the underserved population. The OCUD has been working with other government agencies and private sector organizations to identify opportunities for credit unions to provide financial service to credit union members and potential members, especially to those in underserved areas.

In 2003, credit unions expanded their fields of membership and added 25.1 million potential members from designated underserved areas throughout the country. Many of those credit unions which expanded into underserved areas were low-income designated credit unions. Credit unions which expand into underserved areas are awarded the opportunity to serve individuals in those areas; however, these credit

**EXPANDING SERVICE TO UNDERSERVED AREAS
TECHNICAL ASSISTANCE GRANT PROGRAM**

unions also incur costs related to the expansion. In the same vein, many low-income designated credit union officials have considered expanding into underserved areas, only to determine that the costs of expansion are a deterrent.

In order to offset a portion of the costs of making financial services available to underserved communities, we are establishing this initiative for \$100,000, which is available to low-income designated credit unions. These funds can be used to defray the costs of implementing new services or the costs of increasing or improving existing services in underserved areas. Such costs might include business planning development, marketing costs, staff training focused on serving the expanded community, developing loan policies and procedures which focus on business lending, establishing a service center within the community, or costs for translating forms and materials.

The following guidelines address the specifics of the funding opportunities available to low-income designated credit unions interested in implementing new service or increasing or improving existing service to an underserved area.

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

A credit union must be low-income designated to be eligible to participate in the program.

- Federal credit unions must have a current low-income designation from the National Credit Union Administration (NCUA) regional director where they reside.
- State credit unions must have a current low-income designation from their state supervisory authority (SSA) with NCUA regional director concurrence.
- Low-income designated student credit unions are not currently eligible to participate in the Technical Assistance Grant (TAG) Program.
- Credit unions must have already received approval from their regional director to expand their field of membership into a designated underserved area.
- For purposes of this initiative, a low-income designated credit union with a community charter is considered to serve an underserved community, and therefore eligible to apply for funds under the Expanding Service to Underserved Areas Initiative.
- In addition, credit unions must have sufficient infrastructure and financial ability to implement new services, or to increase or improve existing services to an underserved area.

Funding Limitations

Funding limitations are a function of available dollars. For this funding initiative, NCUA is making \$100,000 available in technical assistance grants (TAG) to assist low-income designated credit unions in implementing new services or increasing or improving existing services to underserved areas. So that the funds may be divided among as many credit unions as reasonable, and yet be of an amount sufficient to defray costs, the technical assistance grants under this initiative will average \$7,500.

**EXPANDING SERVICE TO UNDERSERVED AREAS
TECHNICAL ASSISTANCE GRANT PROGRAM**

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 April 30, 2004. All applicants must have complete applications submitted by close of business on July 31, 2004. This will allow sufficient opportunity to review, evaluate and award grant funding.

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 July 31, 2004. Credit unions **must** complete the appropriate NCUA technical assistance or loan application forms (see enclosed forms). Application packets must also include sufficient information to justify the necessity of all projected expenditures in the serving or expanding or enhancing service to underserved communities. Applications received after the application period will not be processed or considered.

Methods 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.

Time of Delivery and Withdrawals

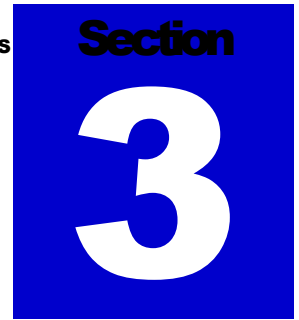
Generally, applications must be submitted by close of business on the date specified in the announcement. Applications received after that time will **not be considered**.

**EXPANDING SERVICE TO UNDERSERVED AREAS
TECHNICAL ASSISTANCE GRANT PROGRAM**

Withdrawal of an application may be made at any time during the application process or prior to the time the grant is 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 program is to assist credit unions in defraying a portion of the costs incurred while implementing new services or increasing or improving existing services in underserved areas. Recognizing that credit unions incur administrative and operational expenses related to that expansion, 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 (developing policies, procedures, or business plans related to either implementing new services or increasing or improving services, developing procedures for business lending, or establishing contractual relationships with translators)

Training Costs (training staff to identify and serve the needs of the community)

Legal Costs (obtaining legal opinion for implementing new services, increasing existing services, or improving existing services in the community)

Printing and Reproduction Costs (outside services)

Supplies (paper, pens, flip charts, markers, toner cartridges, etc.)

Rental Costs (chairs, tables, projectors)

Marketing & Advertising (brochures, radio & other media)

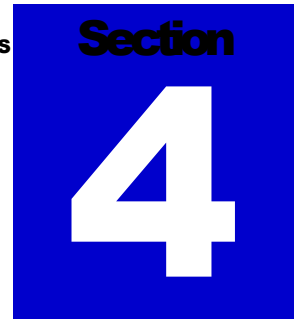
Travel Expenses (mileage for volunteers, cab, and parking)

Operational Costs:

Occupancy Costs (establishing a service center within the community)

Equipment / Installation Costs (electrical service, computers)

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 consists of a written narrative inclusive of information which describes how the program benefited the credit union and the general 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.



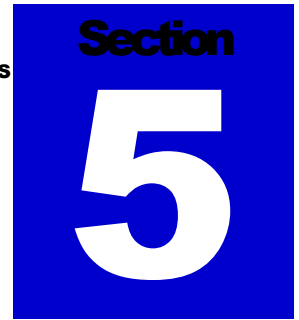
All expense reports related to reimbursements must be submitted to NCUA by December 31, 2004. Failure to do so will result in non-reimbursement. Credit unions may request an extension from NCUA but must justify the need for more time in writing. Approval must be obtained to avoid forfeiture of eligibility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



Checklist of forms

1. NCUA Technical Assistance Application Form:

- **Narrative response to application questions. Also any supporting information needed to explain how new, increased, or improved services will be developed and implemented.**
- **Projected budget (expenses) needed to provide services.**
- **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 - April 30, 2004.**
2. **Application due date – July 31, 2004.**
3. **Reimbursement period – through December 31, 2004.**

**National Credit Union Administration
Community Development Revolving
Loan Program for Credit Unions
1775 Duke Street
Alexandria, VA 22314-3428
(703) 518-6610**

**EXPANDING SERVICE TO UNDERSERVED AREAS INITIATIVE
APPLICATION FOR TECHNICAL ASSISTANCE**

Credit Union Name _____

Charter/Ins. Number _____

Mailing Address _____

Credit Union Phone Number _____

Credit Union E-Mail Address _____

Fax Number _____

Contact Person & Phone Number _____

Credit Union Days/Hours Operation _____

Employer Identification Number (EIN #) _____

Dun and Bradstreet Number (DBN #) _____

AMOUNT REQUESTED _____

Year Organized _____

Assets _____
Last Month End

Number of Members _____

Potential Members _____

Signature required _____ **Date** _____
Authorizing Official

Incomplete applications are not considered submitted until all information requested has been received.

Expanding Service to Underserved Areas Applications can be emailed to:

ocudapps@ncua.gov

- I. Attach a signed copy of your most recent month end Statement of Financial Condition and a Statement of Income and Expenses. 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. **Failure to provide this information will disqualify your application.**

- II. Describe fully your current or planned for increasing or improving services to underserved areas, and describe how this grant will be used to facilitate your plans. 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.**

III. Discuss how the proposed grant will improve the credit union's operations and ultimately enhance service to the members and/or the community. **Failure to provide this information will disqualify your application.**

Expanding Service to Underserved Areas Initiative

EXPENDITURE REPORT FORM for 2004

| Administrative Expenditures | Costs |
|--|--------------|
| Consulting Costs (developing policies/procedures for services, business lending, developing contractual relationships with translators)) | _____ |
| Training Costs (training staff to identify and serve needs of community) | _____ |
| Legal Costs (obtaining legal opinions for new, increased or improved services) | _____ |
| Printing and Reproduction | _____ |
| Supplies | _____ |
| Rental Costs | _____ |
| Marketing & Advertising | _____ |
| Travel Expenses (mileage for volunteers, cab, parking) | _____ |
| Other (list) | _____ |
| Total Administrative Expenditures | _____ |
| Operational Expenditures | |
| Occupancy related expenses | _____ |
| Equipment/Installation Costs | _____ |
| Other (list) | _____ |
| Total Operational Expenditures | _____ |

Attach receipts, invoices and proofs of purchase