

CREATING AN INDIVIDUAL DEVELOPMENT ACCOUNT (IDA) PROGRAM WITHIN YOUR TRIBAL TANF PROGRAM

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WHAT ARE ASSETS?

- When you hear of assets, what do you think of?
- What kinds of assets do you see in your community?

NATIVE ASSETS

- Assets can be thought of as what you value.
- Assets in Native communities can include spirituality, natural resources (such as land), education, community, and sovereignty, as well as financial assets such as savings, bonds, investments, or equipment.
- When engaging in asset building, we can think of how we historically thought of assets and how we think of them today.
- With an understanding of assets, we can design asset building programs with a cultural fit.
- We can have a cultural fit, customize our programs to meet local needs, and still use mainstream asset building tools (such as Individual Development Accounts funded by Tribal TANF).

ASSET BUILDING TOOLS

- There are a variety of tools we can use to build assets and improve the economic self-sufficiency of low-income families.
- These tools can help us build a number of assets at the same time (integrated or comprehensive asset building).
- What are some of these tools? (brainstorm together)

Christy Finsel, 2010.

EXAMPLES OF ASSET BUILDING TOOLS

- Job training/job creation
- Internships
- Retirement plans
- Education
- Land purchase
- Small business development
- Native language programs
- Financial education ~

Christy Finsel, 2010.

EXAMPLES OF ASSET BUILDING TOOLS, CONTINUED

- Getting banked (such as by opening savings accounts)
- Managing credit and debt (such as through credit builder loan programs)
- Tax credits (such as EITC) and filing assistance (VITA)
To locate the nearest VITA site, call 1-800-906-9887.
- Accessing federal and state benefits
- Children's Savings Accounts
- Individual Development Accounts



WHAT IS AN IDA?

- One tool in the asset building toolbox is an Individual Development Account (IDA). IDAs are matched savings accounts held by low-income individuals. They assist individuals and communities in purchasing assets.
- Along with an asset purchase, participants attend financial education classes.
- Participants are able to purchase assets much more quickly than if they were saving on their own for an asset purchase.

Christy Finsel, 2010.

HISTORY OF IDAs

- Michael Sherraden wrote *Assets and the Poor*
- He is the “father” of IDAs and is a professor of Social Work at Washington University in St. Louis^{so}
- His idea was that asset ownership can increase a person’s sense of well-being, support communities, and decrease poverty.
- Assets can also provide a cushion in times of economic hardship



IDAS-MORE INFORMATION

- IDA programs can be funded with federal, state, tribal, and private funding (we'll address these sources later in the presentation). You can use TANF to fund your program for those eligible for TANF cash assistance (45 CFR 286.40).
- There are at least thirty active Native IDA programs nationally and others that are being designed.

Christy Finsel, 2012.



SEVERAL BENEFITS OF IDA PROGRAMS

- IDAs, as an asset building tool, can help participants as they continue to develop their savings habits.
- IDA clients can increase their financial literacy and more sustainably maintain the assets they purchase (with help from general and asset specific financial education).
- Participants can also make friends with others in their IDA cohort-some choose to go into business together.
- Many feel more confident about their ability to manage their money.
- Savers can also think differently about their future.

Christy Finsel, 2012.



FIRST IDA EXAMPLE-SHARING IDA MODELS

- Mark from the Choctaw Nation is saving a minimum of \$25.00 a month for 3 years so that he can purchase a home. His savings are matched 3:1.



HOW DO THE TOTALS ADD UP IN THE CHOCTAW NATION EXAMPLE?

If Mark deposits \$25.00 each month for three years:

\$900 in participant savings

+\$2700 in match funds

Total = \$3600 for a home purchase



SECOND IDA EXAMPLE

- Eighth graders save from \$5.00 to \$20.00 a month for 6 months (IDA savings duration).
- De La Salle Middle School in St. Louis provides a 4:1 match rate. If students save \$20.00 a month for \$120.00 of student savings; \$480.00 in match funds; for a total of \$600.00.
- Students participate in financial education classes we provide at the school.
- We provide “employment” opportunities: projects around the school, public community murals, academic enrichment option.
- Have a banker come in to help open accounts, might take them on a field trip to the bank branch in the future.
- Purchase education-related assets: tuition, books, uniforms, art fees, sports fees, money to participate socially in high school, could roll their money into a 529 college savings plan (this IDA program is privately funded).

THIRD IDA EXAMPLE

- Post-Secondary Education IDA - Participants saving for post-secondary education must deposit \$50.00 a month over six months or \$25.00 a month over twelve months, for a total of \$300.00 of their own savings. This will be matched 8:1. In the end, participants will have \$300.00 of their savings, and \$2,400 in match from Osage Financial Resources, Inc, for a total of \$2,700 towards a post-secondary education asset purchase.
 - Allowable purchases for participants saving for post-secondary education: books, tuition, laptops, and education-related materials and equipment.

THIRD EXAMPLE, CONTINUED

- Homeownership IDA – Osage Financial Resources, Inc. (OFR) is willing to work with participants who would like to save from six months to two years in this IDA program. Thus, for example, participants saving for a homeownership asset purchase could deposit \$200.00 a month over six months, \$150.00 a month over eight months, \$120.00 a month over ten months, \$100.00 a month over twelve months, or \$50.00 a month over twenty-four months, for a total of \$1,200 of their own savings. This will be matched 3:1. In the end, they will have \$1,200 of their savings, and \$3,600 in match from OFR, for a total of \$4,800 towards a homeownership asset purchase.
 - Allowable purchases for those saving for homeownership: closing costs and down payment.



FOURTH IDA EXAMPLE

- Target population: Youth in a tribal Summer Youth Employment Program (SYEP).
- Youth deposit \$25.00 of their earned income, on a weekly basis for the duration of the eight-week SYEP.
- The tribe matches their deposits 3:1 with tribal funds.
- At the end of the eight-week IDA program, the youth will have saved \$200.00 of their own savings and receive \$600.00 in match funds for a total of \$800.00 towards an approved asset purchase.~



FOURTH IDA EXAMPLE, CONTINUED

As part of this program, SYEP participants can purchase the following assets:

- iPad
- laptop
- dance regalia
- school clothes (such as winter jacket, etc.)
- school supplies (such as athletic equipment, etc.)
- senior photos
- school dance formal attire (such as prom dresses, etc.)
- college costs

FIFTH IDA EXAMPLE

- Credit Builder IDA
 - **Term:** 12 months
 - **IDA Match Rate:** 2:1
 - **IDA Savings:** Minimum of \$300 and a maximum of \$900
 - **IDA Match:** Minimum of \$600 and a maximum of \$1,800
 - **Total Savings Toward Credit Repair:** \$900-\$2700
 - Participants attend financial education classes and credit counseling sessions

SIXTH IDA EXAMPLE

- Participants could deposit **\$100.00 a month for 10 months for a vehicle, saving a total of \$1000.00.**
- An IDA program could match their savings **3:1, providing \$3000.00 in match funds.**
- The participant would have **\$4000.00 towards a car purchase.**
- They could take general and asset specific financial education classes where they learn about car insurance, basic vehicle maintenance, car loans, shopping for a vehicle, etc.

YOU CAN LINK IDAs WITH OTHER ASSET BUILDING TOOLS ALONG AN ASSET BUILDING PIPELINE

Example:

- Have an adult IDA participant participate in culturally-relevant financial education classes-a Native program could weave in their language, history with asset building, cultural values, etc.
- Participants could get their taxes prepared for free at a Voluntary Income Tax Assistance (VITA) site and claim any tax credits for which they are eligible.
- The IDA participant (parent) could enroll their children in a Child Savings Account program set up by the tribe, if there is one available.~

YOU CAN LINK IDAs WITH OTHER ASSET BUILDING TOOLS ALONG AN ASSET BUILDING PIPELINE, CONTINUED

- The IDA participant and their family members could get banked if they are not already.
- Participants could claim their state and federal benefits.
- Participants could receive credit counseling.
- Those administering asset building programs could share information about the locally or tribally-owned businesses and suggestions for how to plug their Nation's leaking economy.
- Additionally, community members could also save for communal assets (such as land purchase).

VARIOUS FUNDING SOURCES FOR NATIVE IDA PROGRAMS

- Tribal TANF
- Foundations (such as Citi Foundation, Bush Foundation, Scott Evans Foundation, and the Northwest Area Foundation)
- Tribal funds
- Private donors ~



VARIOUS FUNDING SOURCES FOR NATIVE IDA PROGRAMS, CONTINUED

- State funds, if available
- Assets for Independence, AFI, next application deadlines are: January 25, 2013, March 25, 2013, and May 24, 2013. You can't use Tribal TANF as your nonfederal match for an AFI application.
- Joint Assets for Independence and Administration for Native Americans funding (Native Asset Building Initiative). This year's application deadline was June 18, 2012.
- Your tribe could have an IDA program and fund various asset purchases, for different citizens of different ages, with different funding streams.

Christy Finsel, January 8, 2010.



NATIVE ASSET BUILDING OPPORTUNITY

- Native Asset Building Initiative (NABI) provides funding for an AFI-funded IDA program and money to cover administration of your program and your comprehensive asset building initiatives.



WHAT IS THE NATIVE ASSET BUILDING INITIATIVE (NABI)?

- **The Native Asset Building Initiative is a joint funding opportunity offered through a partnership between Assets for Independence (AFI) program and ANA's Social and Economic Development Strategies (SEDS) program:** NABI is one component of the ACF ASSET Initiative, an agency wide effort to bring financial literacy, IDAs, and related services to more families across the nation, and to create interoperability across ACF program offices.
- **Purpose:** The purpose of this initiative is to increase access to and awareness of asset building opportunities in Native American communities.
- **Funding Opportunity Announcement:**
<http://www.acf.hhs.gov/grants/open/foa/view/HHS-2012-ACF-ANA-NO-0322>.

WHO CAN APPLY FOR A NABI GRANT

Eligible applicants include:

- Federally recognized tribal governments or Alaska Native Villages, as defined in the Alaska Native Claims Settlement Act, that are joint applicants with a 501(c)(3) Native non-profit organization
- Native 501(c)(3) non-profits serving Native Americans
- Native non-profit organizations designated by the Secretary of the Treasury as Community Development Financial Institutions (CDFIs) or Native non-profit credit unions designated as low-income credit unions by the National Credit Union Administration (NCAU) – CDFIs and credit unions must demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty and the needs of community members for economic independence and stability

YOU CAN FUND DIFFERENT ASSET GOALS/ ALLOWABLE USES DEPENDING ON YOUR FUNDING SOURCES

- Homeownership, microenterprise, post-secondary education (Assets for Independence, AFI)
- Credit building, health care, youth educational trips, school supplies, sports and arts fees, dance regalia, senior photos, winter coats, college costs, retirement, money to participate socially in high school, emergency fund, health care, transportation (IDAs funded with foundation, private donor, and tribal funding) ~



YOU CAN FUND DIFFERENT ASSET GOALS/ ALLOWABLE USES DEPENDING ON YOUR FUNDING SOURCES, CONTINUED

- Tribal TANF can be used as match funds, in an IDA program, to fund any purpose that is reasonably calculated to accomplish one of the TANF goals.~



YOU CAN FUND DIFFERENT ASSET GOALS/ ALLOWABLE USES DEPENDING ON YOUR FUNDING SOURCES, CONTINUED

- Vehicle purchase, first and last months rent, textbooks, equipment for employment, clothes for work, postsecondary education, small business development, homeownership (assets allowed in a Tribal TANF-funded IDA)
- Given your work with community members and hearing of their asset needs, what assets would you like to see covered by Tribal TANF funds?



FEDERAL FUNDS FOR IDAs- HOW TRIBAL TANF-FUNDED IDA PROGRAMS DIFFER FROM AFI-FUNDED IDA PROGRAMS

- Assets for Independence (AFI) is the largest federal source of funding for IDAs nationally. With the recent guidance about Tribal TANF-funded IDAs, there could be a number of new Tribal TANF-funded IDA programs as asset purchases have expanded to meet other needs of those eligible to participate in such a program.
- AFI runs on five-year project grant cycles. With TANF funds, you don't have to have your savers make their asset purchases within such a time frame.
- For AFI, you must have firm commitments of cash support from nonfederal sources to apply for funding. The commitments must be equal to or greater than the Federal grant amount requested. With TANF-funded IDA programs, you don't have to fundraise nonfederal funds.



HOW TRIBAL TANF-FUNDED IDA PROGRAMS DIFFER FROM AFI-FUNDED IDA PROGRAMS

- With AFI, IDA participants must save for 6 months before they make an asset purchase. With TANF, savers don't have to save for a specific amount of time.
- With AFI, participants can receive match funds up to \$2,000 per individual, or \$4,000 per household from the AFI grant award and at least an equal amount from non-Federal funds. With TANF, you could provide more match funds than in an AFI-funded IDA program.

HOW TRIBAL TANF-FUNDED IDA PROGRAMS DIFFER FROM AFI-FUNDED IDA PROGRAMS

- Provide financial education classes as part of your IDA program. AFI requires you provide financial education. It is not required, but it is highly recommended that TANF IDA programs provide financial education to savers.
- Asset goals/allowable uses: post-secondary education, homeownership, small business development and expansion. With Tribal TANF-can allow savers to save for more than these three assets.



HOW TRIBAL TANF-FUNDED IDA PROGRAMS ARE SIMILAR TO AFI-FUNDED IDA PROGRAMS

- Participants must make earned income deposits.
- In terms of eligibility, both AFI and TANF say that those eligible for TANF cash assistance are able to participate in the programs (just have to be eligible, don't have to be receiving TANF assistance).
- The IDA savings of IDA savers in an AFI or TANF-funded IDA program is not counted against TANF eligibility (Social Security Act Section 404(h)(4) provides a “no reduction in benefits” safeguard).



THE NEXT PART OF OUR SESSION WILL PROVIDE YOU WITH INFORMATION ABOUT HOW TO DESIGN AND IMPLEMENT A TANF-FUNDED IDA PROGRAM

- You could start with a pilot program.
- There are publicly available sample forms, MOAs, etc. You don't have to start from scratch.
- We can learn from existing IDA program models, though they are not funded by TANF.
- There is flexibility with this funding source.
- Exciting possibilities!



DESIGNING A TANF-FUNDED IDA PROGRAM

- Step One:

If needed, connecting to asset building practitioners and gathering information, models, samples, resources, and partners.

Share general and specific information with staff about various asset building programs.

Providing tribal leaders with information they might need to support your IDA efforts.



NATIVE ASSET BUILDING RESOURCES AND OPPORTUNITIES

○ Northwest Native Asset Building Coalition

- <http://nativeassets.ning.com/>
- Contact: N. Iris Friday, iris.Friday@hud.gov, (206) 220-5420
- Checked with her and they are working on a National Native Asset Building Conference. Date is TBD.

○ Oklahoma Native Assets Coalition

- Portal
- Peer learning calls about IDAs and CSAs, etc.
- Contact: Christy Finsel, ONAC Program Manager, cfinsel@oknativeassets.org, (405) 401-7873.



DESIGNING A TANF-FUNDED IDA PROGRAM

- Step Two:

Allocate/budget for TANF funds to be used for match funds. If you plan to administer a TANF-funded IDA program, ensure your federal TANF plan includes the IDA program. If not already in your federal plan, you would need to submit a federal plan amendment to ACF.

Administrative rate-the negotiated Tribal TANF administrative rate applies.



DESIGNING A TANF-FUNDED IDA PROGRAM

- Step Three:

Cultural fit-conversations about assets with your community and TANF program staff

When we pause our asset building efforts, or have initial conversations as we get asset building programs off the ground, we can make sure that our asset building strategies have a cultural fit.

We can have such conversations with our communities, families, and staff about assets.



COMMUNITY'S HISTORY OF SAVING FOR THE FUTURE

- Historically, how has your community saved?
- Thinking about how to translate how we used to save and build assets to how we want to do this today in our current context, “what do we want to leave for the future” going forward?

Acknowledgement: Kukui Maunakea-Forth and Finsel, C. (2008, September). *Asset Building: Is It Cultural Fit? Paper presented at the Assets Learning Conference, Washington, D.C.*



EXAMPLE OF A NATIVE COMMUNITY CONVERSATION ABOUT ASSETS

- Watch four-minute video from the NAYA Family Center. Elders share their stories about homeownership and related cultural values.
- NAYA's homeownership program *“provides culturally specific homeownership coaching, education, and programming that will help you plan to buy, and plan to keep, your home.”*
- <http://www.nayapdx.org/services/community-development/homeownership.php>

YOUR COMMUNITY CONVERSATIONS ABOUT ASSETS

- Learning hui example-what matters to you, what are you concerned about, want to have the ability to have a job and live in their home communities.
- What kinds of questions did you ask in these conversations?
- How did this process go?
- Any longer-term benefits of engaging in conversations about assets?
- What else could we be thinking about related to such conversations?

RELATED TO STEP THREE-TALKING WITH THE COMMUNITY

- Community needs assessment
 - Given the asset needs in your community, will community members be interested in saving for the proposed asset savings goals allowed by your IDA program? You could determine this through a survey, focus groups, or community dialogue, if needed.

DESIGNING A TANF-FUNDED IDA PROGRAM

- Step Four:

Do you have necessary support for the program?

Please see following slides.



ASSET BUILDING SUPPORTS FOR NATIVE COMMUNITIES

- Map community resources and funders (regarding funding, do you need other funding sources beyond Tribal TANF to implement your program?)
- Identify potential partners (Partners can provide critical support for: referrals/recruitment; financial education and asset training; credit counseling; holding custodial accounts; and other services)
- Tribal support
- Peer learning and sharing-talking with others who are implementing IDAs



POSSIBLE EXAMPLES OF ASSET BUILDING SUPPORTS

- Credit Builders Alliance
- First Nations Development Institute
- First Nations Oweesta Corporation
- Consumer Credit Counseling Services
- Foundations
- Native asset building coalitions
- Native Community Development Financial Institutions (CDFI) Network ~



POSSIBLE EXAMPLES OF ASSET BUILDING SUPPORTS, CONTINUED

- Curriculum resources-Hawai'i Community Assets, *Building Native Communities*, *Credit Where Credit Is Due*, Others?
- Native Earned Income Tax Credit (EITC) Network, to join, email Patsy Schramm (Cherokee) at: edgpj@aol.com. In your email subject line, please note the Native EITC Network.
- CFED, 2012 Assets Learning Conference, September 19-21, Washington DC. ~

Christy Finsel, January 21, 2011.



POSSIBLE EXAMPLES OF ASSET BUILDING SUPPORTS, CONTINUED

- Trust for Public Lands
- Financial institutions
- IRS
- Administration for Native Americans
- Others?



DESIGNING A TANF-FUNDED IDA PROGRAM

Step Five: Solidify Support

- Financial institutions (determine account ownership-custodial or trust accounts; account statements for participants and IDA coordinator; and deposit format-electronic funds transfer or deposits at branches and ATMs)-signed agreement needed for application ~



STEP FIVE: SOLIDIFY SUPPORT, CONTINUED

- Sign MOUs with partners (i.e. those teaching your financial education classes. Signing MOUs helps if there is staff turnover-agreements can remain)
- Funders (need match funding secured before open IDA accounts)

DESIGNING A TANF-FUNDED IDA PROGRAM

Step Six: Make program design decisions

The next set of slides will walk you through the components of designing an IDA program.



STEP 6A: DETERMINING TARGET MARKET

- Who would best benefit from participation in an IDA program among your Tribal TANF clients?
- Is your IDA program part of a larger IDA initiative in your nonprofit or tribe, funded by other funding sources? (Will others besides those determined “eligible for assistance” be able to participate)? ~

STEP 6A: DETERMINING TARGET MARKET, CONTINUED

- Youth?
- Adults?
- Mixture of both youth and adults?
- Depending on the allowable assets you determine for your program, do you need to target those who would be leaving TANF and/or do you want to target those who have recently entered the program, etc?



STEP 6B: DETERMINING PARTICIPANT ELIGIBILITY REQUIREMENTS FOR YOUR TRIBAL TANF-FUNDED IDA PROGRAM

- Participant eligibility
 - One requirement is that they have earned income.
 - According to Tribal TANF guidance, another requirement is that they are determined as “needy” by the tribe (financially eligible for IDA benefits under the State’s TANF plan).
 - Additionally, Tribal TANF requires that a family unit include a child living with a custodial parent or other adult relative, or a pregnant individual.
 - Other requirements?

STEP 6C: ALLOWABLE USES/SAVINGS GOALS

- What the saver can purchase with their IDA funds.
What do you want your participants to save for?

Feedback from participants




STEP 6D: MATCH RATES

Match Rates

- IDAs help people leverage their savings by providing a match for every dollar they put into their account.

Issues to Consider

- What will be the match rate(s) for your IDA program?
 - You can offer various match rates per allowable use/savings goal.
 - Each person saving for the same allowed asset should have the same match rate for that particular asset.
- 

A FEW QUESTIONS TO THINK ABOUT WHEN DETERMINING MATCH RATE

When you are determining your match rates, you can work backwards and think about what are the asset needs in your community?

Also, what do those asset needs cost (i.e. how much do work clothes or first and last months rent etc. cost in your community)?

Additionally, which match rates would act as an incentive for program participation?

OTHER ISSUES TO CONSIDER WHEN DETERMINING MATCH RATES

- If the savers can only deposit smaller amounts of money, then provide a higher match rate, for a given allowable use/savings goal, to help them all make their asset purchases.
- If you have participants saving for shorter periods of time, then you could also increase their match rate to help them make their asset purchases faster.



EXAMPLES OF MATCH RATES

Potential Vehicle Purchase IDA Program

- Those saving for a vehicle could be matched 3:1.

Osage Financial Resources Inc.

- Those saving for post-secondary education are matched 8:1.
- Those saving for homeownership are matched 3:1.

MORE EXAMPLES OF MATCH RATES

The Lakota Fund

- Participants may save for homeownership, post-secondary education, and business start-up. The match rate for these uses is 2:1.

Four Bands Community Fund

- Offer 3:1 match for home purchase, post-secondary education, and business development

STEP 6E: SAVINGS DURATION

- How long do you want participants to save for?
 - Six months to a year?
 - One year, 18 months, 2 years?
 - Shorter or longer savings periods?
 - How long do you think savers need to save to continue to develop their savings habits?
 - You can determine different savings durations per asset purchase.

STEP 6F: MINIMUM AND MAXIMUM DEPOSITS

- What can your participants afford to deposit on a regular basis?
- Please tell me more about their earned income.



STEP 6G: EMERGENCY WITHDRAWAL POLICIES

Under AFI, there are only three emergency circumstances where participants may withdraw IDA savings for non-asset purchase:

- 1) For medical expenses.
- 2) To pay rent or mortgage to prevent eviction or foreclosure.
- 3) To pay for vital living expenses (e.g., food, clothing, shelter, utilities, heat) following a job loss.



EMERGENCY WITHDRAWAL POLICIES, CONTINUED

- What would you like your policies to be on emergency withdrawals for your Tribal TANF-Funded IDA program?
- Do you want to allow for these withdrawals?
- Replenish if miss a deposit? By when?
- Can they put a hold on participation in your program and then reenter when ready again?
- Do you have other emergency funds available from your tribe so people don't have to leave the IDA program (such as for burial assistance, one-time emergency rent payment programs)?
- Work with participants to set up an emergency savings fund for the long term. ~

EMERGENCY WITHDRAWAL POLICIES, CONTINUED

- If a participant fails to meet the requirements of the program, you will have to return their IDA savings (with no match) to them.
- You can communicate your policies clearly with participants when they enroll in the program and throughout case management.

STEP 6H: DETERMINE PROGRAM ADMINISTRATION ROLES AND RESPONSIBILITIES

- Determine IDA program roles and responsibilities
- You and your partners, or staff, could divide up designated tasks. ~

STEP 6H: DETERMINE PROGRAM ADMINISTRATION ROLES AND RESPONSIBILITIES, CONTINUED

- Coordination duties can entail:
 - outreach and recruitment,
 - enrolling participants,
 - teaching financial education,
 - providing credit counseling,
 - case management,
 - communication with program partners,
 - assisting participants with asset purchases,
 - evaluation,
 - etc.



STEP 6I: CREATE PROGRAM FORMS/PROGRAM MATERIALS

- Policies and procedures
- Marketing flyers/brochures/info from tribal paper, etc.
- Letter to participant or parents
- Overview of program
- Application/enrollment forms
- Participant agreement
- Form to open account at financial institution
- Deposit tracker form
- Account withdrawal request form
- Disbursement of funds letter
- Evaluation

REGARDING AN IDA APPLICATION AND ENROLLMENT FORM

- Generally, the information collected on the form may include:
 - Applicant contact information
 - Beneficiary information in the event of death of the IDA saver
 - Whatever demographic information you might need to collect
 - Household information
 - Income information

REGARDING AN IDA APPLICATION AND ENROLLMENT FORM

- Do you need an application form to help you determine if an applicant meets the tribe's definition of "needy" according to Tribal TANF IDA guidance?
- If so, what information do you need to collect?
- Do you need to show that the IDA applicant is needy at the time of enrollment? What happens if their income increases once they are enrolled in the program?

REGARDING AN IDA PARTICIPANT AGREEMENT

- IDA Participation Agreements are a document communicating with the participants about the parameters of the IDA program (sample components on next slide)

IDA PARTICIPATION AGREEMENTS

Sample from the Choctaw Asset Building program:

- Mutual Understandings
- Savings Partner Commitments
- Savings Worksheet
- Start of Educational Classes
- Organizational Commitments (from the IDA program)
- Certifications
- Custodial Agreement with Bank
- Both parties initial the sections of this participant agreement

STEP 6J: ACCOUNT FEATURES AND ARRANGEMENT WITH A FINANCIAL INSTITUTION

- **Account Ownership**

Custodial accounts-where for example the tribe/nonprofit/etc. and the participant each have their name on the account. The IDA program manager has control over withdrawals.

- **Account Statements**

Financial institution sends quarterly or monthly statements to the IDA participant and the IDA program administrator. Can you have online banking access?

- Also, request fee free accounts with no minimum balance and a minimum opening deposit amount that matches your account design and what participants can afford to deposit.

STEP SIX K: DATA MANAGEMENT

- Will your current data management systems be sufficient for holding IDA project information?
- If you can have online banking access, you could monitor account activity.
- Some non-AFI programs use Outcome Tracker by VistaShare:
<http://www.vistashare.com/Corporate/Home/>
- Others use Excel spreadsheets and file systems.
- Other suggestions?

STEP SIX K: DATA MANAGEMENT

- Information you will want to keep track of:
 - Contact information of saver
 - Signed forms
 - What each saver is saving for
 - Their deposits on a monthly basis
 - Their timeframe
 - Their match rate
 - That they've met whatever program requirements you mandate-such as attending financial education classes you provide
 - Contact information about their vendors
 - Status of completion of the program ~



STEP SIX K: DATA MANAGEMENT

- Your budget
- Your match funds
- Signed MOAs/MOUs
- Information about key partners
- Evaluations
- Reports to TANF
- Reports to other funders if applicable
- What else?



STEPS 6L AND 6M: GENERATE IDA MARKETING PLAN AND MATERIALS AND CREATE AN OUTREACH PLAN

- If needed, to reach clients.



STEP 6N: PROVIDE INFORMATIONAL SESSIONS

- Good time to also provide other asset building resources (such as info about VITA, tax credits, college savings plans, other tribal programs, credit counseling services, scholarship info, etc.)
- If needed, your Region X IRS SPEC contact is: Sue Stockman, sue.m.stockman@irs.gov, (206) 220-4376.
- One tribe provides community meals regularly and shares info about their asset building programs-have a wait list.

STEP 60: ENROLL PARTICIPANTS

- Depending on the asset the applicant wants to save for, check their credit to make sure they can really purchase the asset (for example, if they want to save to purchase a home and their credit is really damaged, they might need to repair their credit before saving for a home).

STEP 6P: OPEN ACCOUNTS AT FINANCIAL INSTITUTION

- Depending on how you determine that the custodial IDA accounts will be opened with the financial institution, you could have the financial institution send a representative to meet with your participants and open the accounts in your office.
- Additionally, some IDA programs send participant information to the financial institution so the financial institution can open accounts and then they send the savers their account information. ~

STEP 6P: OPEN ACCOUNTS, CONTINUED

- Also, some programs will provide participants with a letter from the IDA program authorizing them to go to a branch to open an IDA account.
- You can work with the financial institution to come up with the option that will best serve the age group and banking needs of your savers while following the financial institution's new account procedures.

STEP 6Q: CASE MANAGEMENT

- How can the IDA program be a part of your current case management?
- Will you need other case management partners?
- Who will provide some credit counseling to IDA participants, if needed?



STEP 6R: PROVIDE FINANCIAL EDUCATION

- Provide general financial education.
- Such topics could include (depending on age, etc.): basics of savings and checking accounts, how to read a bank statement, how to complete a deposit slip, other services provided by financial institutions, information about credit, budgeting, etc.
- Also provide asset-specific education.
- Such topics could include: how to shop for a vehicle, insurance, how to shop for a home, understanding home inspections, etc. ~



STEP 6R: PROVIDE FINANCIAL EDUCATION, CONTINUED

- Do you know of any curricula that you would like to use for your classes?
- How many hours of asset-specific education will you require for your clients?
- Can you think of an organization you would like to partner with to deliver the classes? Or would you deliver it in house?

STEP 6S: MANAGING THE ASSET PURCHASE

- Once the participants are ready to purchase their asset, you can work with them to complete those steps.
- Research suggests that some participants need an additional six months after completing their training to make their asset purchase (especially for big purchases such as a home). ~



STEP 6S: MANAGING THE ASSET PURCHASE, CONTINUED

- Discuss and determine the timing of asset purchase
- Determine post-secondary education and homeownership vendors for the asset purchases with the savers
- Currently, with TANF-funded IDAs for those saving for business capitalization, have savers set up a business capitalization account ~



STEP 6S: MANAGING THE ASSET PURCHASE, CONTINUED

- Provide savers with a Withdrawal Request Form so they can submit their participant information, what they are purchasing, the total purchase amount of the asset, and other information/data you might need to collect.
- Work with the financial institution to send checks to vendors or to open a business capitalization account for small business purchases.



STEP 6T: EVALUATE THE PROGRAM

- Provide participants with a program evaluation
 - How did they hear about the program?
 - What worked and did not work for them?
 - Were the forms clear? ~



STEP 6T: EVALUATE THE PROGRAM, CONTINUED

- Certain months it was difficult to make a deposit?
- Track financial education outcomes.
- Understand more about their savings behavior and hopes for the future.
- Many other evaluation questions depending on what you want to track.



STEP 6U: CLOSING THE ACCOUNT

- Celebrate participant successes!
- Closing the IDA custodial accounts. Could let the participants know that they could open a non-IDA savings account at the bank to continue saving for their personal savings goals.



THANK YOU FOR YOUR TIME AND PARTICIPATION

If you have follow-up questions from today's session, please be in touch with your regional TANF contacts or contact:

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