



THE OFFICE OF
**SMALL CREDIT UNION
INITIATIVES**

Committed to small credit union success.

Office of Small Credit Union Initiatives

Urgent Needs Grant Initiative Guidelines

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*This document provides guidelines and application requirements for the National Credit Union Administration Urgent Need Grant Initiative for low-income designated credit unions.
(OMB# Pending)*

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1 GENERAL OSCUI GRANT INFORMATION FOR OSCUI GRANT PROGRAM

The Office of Small Credit Union Initiatives (OSCUI) Grant Program was established by Congress to provide funds to low-income designated credit unions to help provide financial services to their members and improve credit union operations. The program consists of Congressional appropriations that are administered by OSCUI.



1.1 Eligibility Requirements

To qualify for OSCUI Grant Program, a federally chartered credit union must have a current “low-income” designation as set forth in NCUA’s Rules and Regulations, Section 701.34.

State chartered credit unions must have the equivalent low-income designation from their respective state supervisory authority (SSA) and concurrence from NCUA.

For information on how to obtain the low–income designation visit the following area of the NCUA website:

<http://www.mycreditunion.gov/about-credit-unions/Pages/Low-Income-Credit-Unions.aspx>

2 URGENT NEEDS INITIATIVE INFORMATION

This initiative provides funds for the continued operations of a credit union with an immediate and pressing need to address financial or operational issues.

Urgent needs are the result in sudden unexpected costs to the credit union which, if left unaddressed, will result in a disruption of existing services to members.

Applicants must apply for the Urgent Needs Initiative in a separate application than other initiatives offered.

Credit unions may only submit one reimbursement request for each Urgent Need Initiative application. The Urgent Needs initiative will remain open for applications year-round.

2.1 Maximum Amount

The maximum allowable amount is \$7,500.

Credit unions can apply for funding up to \$7,500 for this urgent needs funding, in addition to the funding available under other initiatives offered under the OSCUI Grant and Loan Program.

2.2 Examples of Urgent Needs Grant Projects

The following is a list of potential urgent needs grant projects:

- Repairing damage to the credit union that has occurred from natural disasters
- Repairing damage to the credit union’s premises that is not covered by insurance
- Replacing equipment needed to immediately restore services to members as the result of an unexpected event
- Paying consultant fees for records reconstruction
- Conversation of data servicer following an event such as a vendor bankruptcy
- Economic Development Specialist Referral of OSCUI Small Credit Union Program (SCUP) credit unions
- Newly Chartered Credit Unions (Credit Unions in their first Three years of operations):

The following are examples of projects that will be considered for newly chartered credit unions only:

- Hardware, Software, or Equipment that will assist the credit union in implementing financial services and products (particularly those contained in chartering business plan approved by NCUA)
- Training for officials and/or employees that will help the credit union implement financial services and products (particularly those contained in chartering business plan approved by NCUA)
- Consulting that will develop or assist in implementation of strategic, business, succession and/or marketing plan, policies and/or procedures
- Consulting, construction or materials to improve operating facility



2.3 Non-Urgent Needs Grant Project Examples

The following is a list of examples that are not considered urgent needs grant projects (unless noted otherwise in Section 2.2 above):

- Replacing obsolete or outdated equipment
- Training expenses
- Vendors' price increases
- Funding for salaries, annual audits, and other operating costs
- Addressing items of supervisory concern (such as those items recommended in the Document Resolution)
- Negative earnings of credit union
- Asset size of credit union

3 THE GRANT PROCESS

Grant Process Step 1 – Credit Unions Apply:

- Credit unions must submit a grant application online. The application link can be found in the following area of the NCUA website: <http://www.ncua.gov/Resources/CUs/Dev/Pages/Loans.aspx>
 - Credit unions must receive application approval and a commitment number before incurring any expenses.
 - In the application, the credit union will be asked to answer questions regarding:
 - The type of project the grant funding will be used for
 - How the urgent need is a sudden unexpected costs to the credit union which, if left unaddressed, will result in a disruption of existing services to members
 - Total costs of implementing the project (including bids for requested funds)
 - Credit unions must include the following information in the application also:
 - ACH Information for Direct Deposit
 - Tax Identification Number
 - DUNS Number
 - Based on an Office of Management and Budget (OMB) policy directive, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive funding from the OSCUI Grant Program. A DUNS number can be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711, or by visiting the Dun and Bradstreet website at <http://fedgov.dnb.com/webform>.

Grant Process Step 2 – NCUA Approval/Denial Notification:

- Credit unions will receive approval/denial via email at the email address provided in the grant application.
 - For approved applications the email will include a **commitment expiration date** for submitting a request for reimbursement and a **commitment number** for reference purposes.
 - In general, OSCUI will notify the credit union applicants of the grant awards within 30 business days of the application submission date.
 - NCUA will not process incomplete applications. Incomplete applications must be resubmitted.



- If NCUA has pending questions regarding a particular application the credit union will be contacted via email at the email address provided in the grant application.
- After receiving approval/denial notification, credit unions may obtain details and check the status of the grant application by logging into the grant system.

Grant Process Step 3 – Credit Unions Incur Expense:

- Credit unions may then spend the funds to purchase the goods or services and to implement the approved project.
 - Credit unions must receive application approval and a commitment number before incurring any expenses.
 - Credit Unions should notify the NCUA immediately if funds awarded will not be utilized as planned.

Grant Process Step 4 – Credit Unions Request Reimbursement:

- Credit unions must submit proof of payment and proof of purchase for each expense item for which they are requesting reimbursement.
- Credit unions will also be required to report on the outcome/impact of the use of funds based on each initiative and submit proof of payment and proof of purchase of expenses. This must be submitted by the **commitment expiration date**.
 - Credit unions must submit the reimbursement request for **ALL** expense items and **ALL** initiatives of a particular application at one time.

Refer to Appendix A for acceptable proof of payment and proof of purchase document guidance.

Grant Process Step 5 –Reimbursement:

- The reimbursement request link can be found in the following area of the NCUA website:
<http://www.ncua.gov/Resources/CUs/Dev/Pages/Loans.aspx>
- NCUA will review the reimbursement requests and issue payment as direct deposit to reimburse approved expenditures. Credit unions will be notified via email address provided in the application.
 - NCUA will not process incomplete reimbursement requests. Incomplete requests must be resubmitted, provided the **commitment expiration date** has not passed.
 - If NCUA has pending questions regarding a particular reimbursement request the credit union will be contacted via email address provided in the application.
 - After receiving approval/denial notification, credit unions may obtain details and check the status of the grant reimbursement request by logging into the grant system.

4 COMMITMENT EXPIRATION DATE AND EXTENSION REQUEST

- **Credit unions must notify the NCUA immediately (by emailing OSCUIAPPS@ncua.gov) if funds awarded will not be utilized as planned.**
- In the event that credit unions need to request an extension of a **commitment expiration date** for approved funds, the Grant Reimbursement Commitment Expiration Date Extension Request Form must be submitted prior to the original **commitment expiration date** of the award.



- NCUA will **not** consider extending the commitment expiration date for more than **three** months after the original commitment expiration date.
- If reimbursement requests are not submitted by the approved commitment expiration date and an extension is not approved, the commitment will be deobligated (closed out) and the funds will no longer be available.
- Extension requests are not considered approved unless the credit union receives notification of approval of the extension from the NCUA in writing. This approval documentation must be submitted with the reimbursement request paperwork.

Refer to Appendix C for the *Grant Reimbursement Commitment Expiration Date Extension Request Form*.

5 TREASURY GUIDANCE

Credit unions are expected to follow U.S. Treasury/Office of Management and Budget (OMB) Guidance and Circulars such as:

A-110: Uniform Administrative Requirements for Grant and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

A-122: Cost Principles for Non-Profit Organizations

A-133: Management Responsibility for Internal Control

Refer to this link on the OMB Website for additional information:

http://www.whitehouse.gov/omb/circulars_default

6 REPORTING/ACCOUNTING GUIDANCE FOR GRANTS

Credit unions should refer to NCUA Accounting Bulletin No. 07-2 for accounting guidance for grant awards from CDRLF. Credit unions are encouraged to consult with their auditor/CPA if there are further questions in this regard.

Click the following link to be directed to NCUA Accounting Bulletin No. 07-2 on the NCUA website:

<http://www.ncua.gov/Legal/GuidesEtc/AccountingBulletins/ACCTBUL07-02.pdf>

7 EVALUATION OF APPLICATION

OSCUI will consider the following factors when reviewing applications:

Financial Factors:

- NCUA CAMEL Ratings
- Net Worth Ratio
- Delinquency Ratio
- Return on Assets

Non Financial Factors:

- Assessment of Management via Examination Reports
- Project Impact on the Community
- Previous Awards Received from CDRLF and its Usage
- Partnerships with Viable Organizations or Agencies
- Amount of Total Project Cost Funded by Non-NCUA Grant Funds
- Economic Development Specialist Referral



- Progressive Impact of Project
- Unused Award Amount from Prior Years (negative impact)

8 EXPENSE GUIDELINES

The following are general guidelines for expense categories that apply to this initiative (unless noted otherwise in Section 2.2 above):

Marketing:

Receipts submitted for reimbursement must indicate that marketing materials are directly related to the specific project. Marketing and advertising for the general promotion of the credit union will not be reimbursed.

Transportation/Mileage/Parking:

Transportation, mileage and parking will not be reimbursed under any initiative.

Lodging

Lodging will not be reimbursed under any initiative.

Annual maintenance fees and insurance costs

Annual maintenance fees will not be reimbursed under any initiative.

Hardware, Software, Equipment Purchase and Installation:

Purchases of computers, set-up, and installation of hardware, software and equipment must be directly related to the project indicated in the grant application. Annual maintenance fees and insurance costs are not reimbursable under any initiative.

Food/Refreshments:

Food and refreshments will not be reimbursed under any initiative.

Custodial Services:

Custodial Services will not be reimbursed under any initiative.

Postage:

Postage will not be reimbursed under any initiative.

Printing/Copying:

The credit union must supply receipts and supporting documentation, such as the number of copies made, with its requests for reimbursement of printing and copying. The credit union must provide evidence that the printing/copying approved in the grant application is directly related to the initiative project.

Salaries/Contractors:

Salaries to employees are not reimbursable under any grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

Recurring Operational Expenses:

Recurring operational expenses of the credit union, such as rent, utilities, salaries, maintenance agreements, annual audits, depreciation, funding for the allowance for loan losses, or office supplies are not reimbursable. "Pro-rated" expenses of the credit union, such as a portion of telephone or utility costs, are not reimbursable.

Promotional Items:

Promotional items such as gifts, give-aways, souvenirs, or gift cards are not reimbursable.



Partnership/Third Party/Vendor Relationship and Expenses:

Credit unions are required to follow the due diligence over Third Party Service Provides as directed by NCUA Letter to Credit Unions 01-CU-20 and must submit a written agreement detailing the services/products with cost involved. Contractor fees that are not substantiated in writing in a partnership/contractor's agreement will not be reimbursed.

*Invoices from outside parties must be billed to and paid by the credit union.
Reimbursements will be made to credit unions only.*

Pre-Grant Approval Expenses:

Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Credit unions will not be reimbursed for expenses the credit union has committed to, procured, or purchased in advance of grant approval.

Government Agency Expenses:

Credit unions will not be reimbursed for funds paid to NCUA, any government agency, or any government agency employee for any activity.

Matching Funds/Gift Card Programs:

Credit Unions will not be reimbursed for funds provided to members, such as funding the matching portion of an Individual Development Account program or providing gift cards to members.

9 CONTACT INFORMATION

For immediate assistance, email general questions regarding the OSCUI Grant Program to OSCUIAPPS@ncua.gov.

For technical question regarding the grant application or reimbursement request, utilize the "Need Support?" link in the online grant system.



APPENDIX A: REIMBURSEMENT PROOF OF PAYMENT & PURCHASE

When requesting reimbursement for each expense item, the credit union must provide a proof of purchase as well as a proof of payment. Acceptable documents are listed below.

Proof of Purchase

Invoice from Vendor
Receipt from Vendor specifying items purchased

Proof of Payment

Cleared check made out to Vendor identified on invoice
Credit Card Statement with payment amount and Vendor listed
Original check made out to Vendor and Bank Statement showing check clearing
Receipt listing items purchased with payment method listed

Proof of Purchase and Proof of Payment Combinations

Acceptable combinations of proof of purchase and proof of payment are listed below.

- Vendor Invoice and copy of cleared check made out to vendor
- Vendor Invoice and credit card statement showing payment to vendor
- Vendor Invoice, copy of un-cleared check made out to vendor, and bank statement showing the check clearing the account for the correct amount
- Receipt from vendor listing items purchased with evidence of payment method on receipt

*Dates on proof of purchase and proof of payment must not be before the grant approval date stated on the grant approval letter. Expenses incurred or contracts entered into before the approval date will not be eligible for reimbursement. Also, all documentation submitted in support of reimbursement must be clear and legible. (Payee, dates, dollar amounts, method of payment, account numbers, etc., must all be legible on submitted documentation.)



APPENDIX B: RE-ALLOCATION OF APPROVED FUNDS REQUEST PROCEDURES

Credit unions are not permitted to re-allocate approved funds unless they have received notification of approval of the re-allocation by the NCUA in writing.

In the event that credit unions need to request a re-allocation of approved funds, the credit union should submit the following form:



Grant Re-allocation of Approved Funds Request Form

This form must be completed by credit unions requesting to re-allocate approved funds for grants awarded from the National Credit Union Administration (NCUA) Office of Small Credit Union Initiatives (OSCUI) Grant Program.

Credit unions must complete the following information and email this form to OSCUIAPPS@ncua.gov. The email subject line should be "Grant Re-allocation of Approved Funds Request" and include the commitment number of the award.

The NCUA will respond to the request via email. All re-allocation requests require approval in writing. Typically the NCUA does not approve re-allocation requests.

1. Date of Request:	
2. Credit Union Name:	
3. Charter#:	
4. Initiative:	
5. Commitment #:	
6. Application#:	
7. Authorized Credit Union Contact Name:	
8. Credit Union Contact Email Address:	
9. Credit Union Contact Telephone #:	
10. Authorized Credit Union Contact Signature:	

11. Briefly describe the project the credit union was initially awarded funds for in this application and provide the reason(s) the credit union is requesting the re-allocation.

12. Complete the following chart to illustrate the proposed re-allocation:

Expense/Initiative Category	Amount Approved/Category	Proposed Re-Allocation Amounts





APPENDIX C: EXTENSION OF COMMITMENT EXPIRATION DATE REQUEST

This form must be completed by credit unions requesting to extend the expiration date for reimbursement requests for grants awarded from the National Credit Union Administration (NCUA) Office of Small Credit Union Initiatives (OSCUI) Grant Program.

Credit unions must complete the following information and email this form to OSCUIAPPS@ncua.gov. The email subject line should be "Grant Extension Request" and include the commitment number of the award.

*The NCUA will respond to the commitment request via email. All extension requests require approval in writing. The NCUA will **not** consider extending the commitment expiration date for more than **three** months after the original commitment expiration date.*

1. Date of Request:	
2. Credit Union Name:	
3. Charter#:	
4. Initiative:	
5. Commitment #:	
6. Application#:	
7. Authorized Credit Union Contact Name:	
8. Credit Union Contact Email Address:	
9. Credit Union Contact Telephone #:	
10. Authorized Credit Union Contact Signature:	
11. Original Commitment Expiration Date:	
12. Requested Commitment Expiration Date:	

13. Briefly describe the project the credit union was initially awarded funds for in this application.

14. Briefly provide the reason(s) the credit union needs an extension to utilize the funds.

