

National Credit Union Administration
2014 OSCUI Grant Guideline – Round 2

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Part I. General OSCUI Grant Program Information

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.

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>

Special Note to All Applicants

- In order to meet the CDRLF program objectives in a competitive application process, we will fund only **ONE** initiative per approved credit union.
- Grant funds can be used for project implementation and necessary technology.
- Consultants can be paid with grant funds; however, credit union staff cannot be paid using the grant funds.
- Travel expenses will not be reimbursed by grant funds.
- Grant reimbursement will be paid based on submitted paid invoices, up to the grant maximum. NCUA will not reimburse greater than the preset amount.
- Generally, New Product, CDFI, and Staff Training projects are expected to be completed within six months from the grant approval letter. All supporting reimbursement documentation must be submitted by the commitment expiration date, which will be provided in the grant approval letter.

Part II. 2014 Grant Round 2 Initiatives

CDFI Certification	New Product/Service	Training	Collaboration
\$150,000	\$652,000	\$198,000	\$200,000

Application Period

June 2, 2014 (8:00am EST) through June 30, 2014 (5:00pm EST)

Eligibility Requirement for All Initiatives

- Must be a Low-Income Designated Credit Union (LICU) to apply.
- Must have a CAMEL Composite score of 3 or better to apply.

1. Initiative - CDFI Certification

The CDRLF grant funds the Community Development Financial Institution (CDFI) certification process for a credit union.

Community Development Financial Institution (CDFI) Certification is a respected national recognition for financial institutions that serve their low-income populations well. CDFI certification provides eligibility for [CDFI Funds](#), the largest grant funder of credit unions, and is a gateway to recognition by many funders. CDFI Certification is a next grant step beyond NCUA CDRLF grants.

Award per Applicant - **\$2,500**

Eligibility

- 2014 Grant Round I CDFI Certification award recipients are **not** eligible.
- Funds may **not** be used for re-certification or CDFI grant application preparation.

Ranking

- Award scoring is based on the credit union complexity and low-income service data from the most recent 5300 Call Report.
- The scoring index has two components, the first component measures a credit union's capacity to offer and support complex products. The second component measures the extent to which a credit union already offers products serving low-income populations.

Reimbursement Requirements

- The grant funds may be used to pay a consultant to complete the certification application process.

2. Initiative - New Product/Service

The New Product/Service initiative provides credit unions with grant funds for the initial costs of a new member product or service. A new product/service is considered new if it is **not** already offered by the credit union.

Award per Applicant – **Based on preset amount below**

Eligibility

- Must be a **new** product/service for the credit union.
- 2014 Grant Round 1 New Product/ Service Initiative award recipients are **not** eligible.
- A bid or cost proposal is not required.

Categories

Credit unions can apply for **one** of the following:

New Product List	Grant Maximum
Mobile Banking	\$7,500
Remote Deposit Capture	\$6,000
Bill Pay	\$5,000
Online Loan/Member Applications	\$7,500
Electronic/Digital Signatures	\$6,000
Debit/Credit/Prepaid Cards	\$5,000
Home Banking	\$7,500
First Website	\$2,000

Ranking

- Applicants will be ranked by CAMEL MANAGEMENT then CAMEL COMPOSITE Score.

Reimbursement Requirements

- Applicants must submit three year projections on the credit union benefits of the new product/service (for example, the number of new accounts or loans, the number of transactions made).
- Grant reimbursement will be paid based on submitted paid invoices, up to the grant maximum. NCUA will not reimburse greater than the preset amount.
- NCUA will not reimburse recurring monthly or maintenance costs.

3. Initiative – Staff Training

The Staff Training initiative provides funds for training credit union staff and volunteers. Credit union staff and volunteers can receive training in the selected topics.

Award per Applicant - **\$3,000**

Categories

The following training topics are eligible for reimbursement:

Training Topics
Compliance
Lending and Collections
Governance (Board or Volunteer)
Financial Counselor training for front-line staff

Ranking

- Awards will be given in asset size order, smallest asset size first.

Reimbursement Requirements

- A credit union may request reimbursement for several trainings, at a maximum total amount of \$3,000. NCUA will not reimburse training expenses exceeding the preset amount.
- Travel expenses will not be reimbursed using grant funds.
- All reimbursable expenses must be submitted in one request for reimbursement.

4. Initiative - Collaboration

To provide grant funding for scalable, replicable, long term, and core expense-savings collaboration. The collaboration can be between a Low-Income Designated Credit Union and any other type of entity including leagues, other Credit Unions, CUSOs, and/or vendors.

Maximum Award per Applicant - **\$50,000**

Eligibility

- The lead credit union must have a low income designation.
- Minimum of 3 credit unions must participate.
- A memorandum of understanding or partnership letter must be submitted by all participating organizations in the grant application.

The credit union must select **one** option from the following:

Option	Description
Back Office Operations	<ul style="list-style-type: none"> • Shared staffing in Compliance, Human Resources, or Collections. • Shared Software Platform, such as one credit union (vendor, CUSO, League) provides computer services for the collaborating credit unions. • Shared product or service offering, such as one credit union shares a product or service to the partnering credit unions.
Vendor Due Diligence	<ul style="list-style-type: none"> • A credit union version of Consumer Reports or Angie's List.
Secondary Capital Investment Pool	<ul style="list-style-type: none"> • For LICUs, this pool provides an organized market for secondary capital. For investors, a uniform underwriting and servicing creates efficient transactions and pooled risk. <i>Grant funds cannot be used as secondary capital only for implementation costs.</i>

Review Criteria

- The greater number of credit unions involved, the higher the ranking.
- Credit unions must provide an explanation of the project, cost benefit analysis, and demonstrate ongoing reductions in core expenses.

- Credit unions must reflect the estimated cost savings as part of the application for the application to be considered.

Reimbursement Requirements

- Each participating credit union must provide documentation on how they contributed and the impact of the project on their credit union.

Part III. General Grant Round 2 Questions

A. What are the qualifications for the OSCUI grant program?

To qualify for the 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 [NCUA website](#).

B. Where do I start an application for a grant?

Start your application online at www.cybergrants.com/ncua/applications.

C. When may I begin applying for the 2014 Grant Round 2?

The application period will open at 8:00am EST on June 2, 2014.

D. Do I need to submit my application by a certain deadline?

Yes. Complete and submit your application by 5:00pm EST on June 30, 2014.

E. When will I know the final status of my grant application?

We will send you a notification by email regarding the final decision of your application during the week of August 1, 2014.

F. Must I apply for all of the initiatives?

No. You can apply for as many initiatives as you choose as long as you are eligible. The application will ask you what initiatives you wish to apply for. If you do not wish to

apply for a certain initiative, simply select “No”. Only one initiative will be awarded per approved application.

G. Must I submit four separate applications for each initiative?

No. One application covers all of the initiatives for this grant round.

Applicant Checklist	Initiative			
	CDFI	New Product/Service	Training	Collaboration
Low Income Designated Credit Union (LICU)?	Yes	Yes	Yes	Yes
Do I have a CAMEL Composite 1, 2, or 3?	Yes	Yes	Yes	Yes
Did I receive a 2014 Grant Round 1 Award?	No	No	N/A	N/A
Is this a new Product or Service for my Credit Union?	N/A	Yes	N/A	N/A
Did I select from the available options?	N/A	Yes	Yes	Yes
Are at least 3 Credit Unions participating?	N/A	N/A	N/A	Yes
Should I apply for this Initiative?	Yes	Yes	Yes	Yes

Part IV. Additional Information

1. Where can I find Treasury guidance for grants?

You 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 to the OMB Website for additional information:
http://www.whitehouse.gov/omb/circulars_default

2. Where can I find reporting/accounting guidance for grants?

For accounting guidance for grant awards from the OSCUI Grant Program, refer to NCUA Accounting Bulletin No. 07-2. You are encouraged to consult with your 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>

3. Are there any expenses the NCUA does not allow?

Yes. The following expenses are **not** allowed under any initiative:

- Annual Maintenance & Insurance
- Custodial Services
- Food/Refreshments
- Government Agency Expenses & Payment to Government Agency Employee
- Lodging
- Matching Funds (i.e. matching portion of an Individual Development Account program)
- Pre-Grant Approval Expenses (expenses the credit union has paid in advance of grant approval)
- Promotional Items (i.e. gifts, give-aways, souvenirs, gift cards)
- Recurring Operational Expenses (i.e. rent, utilities, salaries, annual audits, depreciation, funding for the allowance for loan losses, office supplies)
- Salaries to Employees & Payments to employees for services provided (except for Student Interns)
- Transportation/Mileage/Parking

4. Are there any other expense guidelines I must follow?

The following are general expense guidelines that apply to all grant initiatives:

- All expenses must be directly related the specific project approved.
- If you enter into a commitment for a project before the grant decision is made, the credit union may be obligated to pay project expenses from your own funds should the grant not be approved.

- NCUA will reimburse expenses listed in approved grant applications up to the total grant amount. You must present evidence of payment, paid after the grant approval, with your reimbursement request.
- Partnership/Third Party/Vendor Relationship and Expenses: You 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.
- Contracts given to your employees and, or board members are prohibited. NCUA reserves the right to refuse your reimbursement if you violate this clause.
- Employees and, or board members may not receive compensation from partners or vendors.

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

5. Who do I contact if I have additional questions regarding the grants?

If you need immediate assistance, email our Grant & Loan team at OSCUIAPPS@ncua.gov.

For a technical question regarding the grant application or reimbursement request, utilize the “*Need Support?*” link in the CyberGrant application system.

6. Am I eligible to receive any other types of assistance from OSCUI?

Yes. Information regarding other assistance offered by OSCUI can be found in the following locations on the NCUA website:

Consulting – www.ncua.gov/OSCUI/consulting

Grants and Loans – www.ncua.gov/OSCUI/grantsandloans

Training – www.ncua.gov/OSCUI/training

Partnerships and Outreach – www.ncua.gov/OSCUI/Partnerships