# Table of Contents

NCUA Grant Program Overview ................................................................. 2
Timeline ........................................................................................................ 3

**Grant Initiative Details**

Digital Services & Security .............................................................. 4
Leadership Development ................................................................. 6
Small LICU Capacity ................................................................. 9
Underserved Outreach ............................................................... 12

**NCUA Grant Program General Guidance**

Eligibility and Requirements .......................................................... 15
Selection Criteria Examples .......................................................... 16
General Expense Guidelines .......................................................... 18
Ineligible Expenses ................................................................. 18
Terms and Conditions ............................................................... 20
Treasury Guidance ................................................................. 22
Helpful Resources ................................................................. 22
NCUA Grant Program Overview

The National Credit Union Administration’s (NCUA) grant program was established by Congress to provide funds to low-income designated credit unions that serve low-income communities. The Office of Small Credit Union Initiatives (OSCUI) administers the congressionally appropriated funds.

NCUA will fund initiatives for Digital Services & Security, Leadership Development, Small Low Income Credit Union Capacity, and Underserved Outreach. A summary of each initiative’s purpose, eligible projects, and associated deadlines are located in the Grant Initiative Details.

Low-income designated credit unions may apply for funding under this program. Applications for the Digital Services & Security, Leadership Development, and Small Low Income Credit Union Capacity initiatives will be accepted from July 1 to July 31, 2017, 3 pm EST. Credit unions may only apply for one of these grant initiatives. NCUA will announce the awardees for this initiative by September 8, 2017.

Applications for the Underserved Outreach Initiative will be accepted from July 1 to August 31, 2017, 3 pm EST. Credit unions are allowed to apply to one of the other initiatives AND the Underserved Outreach initiative. However, receiving a grant award for one of the other initiatives may affect your application for the Underserved Outreach if the review panel deems it suitable. NCUA will announce the awardees for this initiative in October 2017.
Timeline

All Initiatives to open on July 1, 2017

<table>
<thead>
<tr>
<th>Initiative Description</th>
<th>Closing Date</th>
<th>Award Notifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Services &amp; Security</td>
<td>July 31, 2017</td>
<td>By September 8, 2017</td>
</tr>
<tr>
<td>Leadership Development</td>
<td>July 31, 2017</td>
<td>By September 8, 2017</td>
</tr>
<tr>
<td>Small Low Income CU Capacity</td>
<td>July 31, 2017</td>
<td>By September 8, 2017</td>
</tr>
<tr>
<td>Underserved Outreach</td>
<td>August 31, 2017</td>
<td>By October 27, 2017</td>
</tr>
</tbody>
</table>
Grant Initiative Details

Digital Services & Security - $7,500

Purpose
Building a digital relationship with your members is a necessity for credit unions everywhere. Just as crucial is ensuring digital channels are secure and that processes are in place to ensure continued safety of digital assets and activities. Applying appropriate fraud prevention and cyber security projects will help credit unions prepare for new threats and build the infrastructure of their technology systems to protect credit union and member information.

In addition, this grant will leverage digital technology to improve services for credit union members. Low wealth members cannot afford to take the time to visit brick and mortar buildings to transact business, they rely upon mobile apps, and home banking to complete financial transactions.

Each credit union may apply for up to $7,500 for this initiative.

Suitable Grant Projects
Credit unions may use this grant to implement or enhance any of the digital services, cyber security, and fraud prevention activities in the eligible list of projects. To apply for this initiative, credit unions may choose any of the projects listed below. Projects that are not listed in the table are prohibited.

<table>
<thead>
<tr>
<th>Digital Services</th>
<th>Cyber Security &amp; Fraud Prevention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill pay</td>
<td>Biometric or multi-factor authentication systems</td>
</tr>
<tr>
<td>Debit and prepaid cards</td>
<td>Cyber security training</td>
</tr>
<tr>
<td>Digital/electronic signatures</td>
<td>Cyber security risk and transaction monitoring</td>
</tr>
<tr>
<td>Mobile or online loan, membership, &amp; share, applications</td>
<td>Data classification policy</td>
</tr>
<tr>
<td>E-statements</td>
<td>Data encryption and protection</td>
</tr>
<tr>
<td>Mobile payments and digital wallets</td>
<td>Malware defenses</td>
</tr>
<tr>
<td>Online banking such as interactive and transactional websites, and mobile applications</td>
<td>Online banking security upgrades</td>
</tr>
<tr>
<td>Person-to-person payments (P2P)</td>
<td>Software security</td>
</tr>
<tr>
<td>Remote deposit capture</td>
<td>System tests or risk assessments such as penetration and vulnerability tests</td>
</tr>
</tbody>
</table>
Selection Criteria
- CAMEL composite rating must be 3 or better.
- Credit unions that offer the least amount of electronic services & products, according to data derived from the 5300 call report, will receive the highest rankings. Go to the NCUA Grant Program Guidance section for an example of how the selection criteria will rank for this initiative.
- NCUA may group applications into tiered groups based on asset size to ensure credit unions of all asset sizes receive grant funds. This helps CDRLF reach a wider range of low income designated credit unions.
- Any tiebreakers will be settled by the smallest asset size.

Eligible Expenses
The following expenses are eligible for reimbursement if they are associated with one of the suitable projects for this initiative. Funds may not be used to cover the operating expenses of an existing project or general equipment expenses unrelated to the grant initiative (e.g. iPads and computers). The grant may not be used to cover the expenses of a project that was already in progress prior to grant approval. Go to the NCUA Grant Program Guidance section for additional expense guidelines and ineligible uses of grant funds.

- Implementation (project setup, service, and startup costs) and/or enhancement fees.
- Consulting and/or strategic planning fees for eligible projects.
- Marketing expenses must be associated with the grant project and must be less than 25% of the total grant (e.g. a $4,000 grant project is limited to a $1,000 reimbursement for eligible marketing expenses).
- Training costs associated with eligible projects.

Reimbursement Documentation
Credit unions must use this grant within 9 months. If the project takes longer, credit unions must seek NCUA’s approval. Credit unions will need to submit the following items if they are approved for this initiative. Additional information and details will be highlighted in the reimbursement guideline materials.

- Final results of the project:
  1. The project’s intended goals and a summary of the delivered outcomes.
  2. The impact of the grant for the credit union and underserved community.
- Proof of purchase evidence: Detailed invoices, work orders, receipts, or signed contracts.
- Proof of payment evidence: Copies of cleared checks, card statements, ACH confirmation receipts, or wire transfer confirmation.
- Project status updates: Credit unions are required to complete status updates in CyberGrants. NCUA will indicate the due dates in the reimbursement guideline.
Leadership Development - $10,000

Purpose
The Leadership Development initiative seeks to promote career development in the credit union industry, prepare credit unions for success in the event of a leadership transition, and enhance the operational knowledge of credit union employees. This grant initiative will assist small credit unions to recruit recent graduates or develop a succession strategy for management.

Each credit union may apply for up to $10,000 for this initiative.

Suitable Grant Projects
Credit unions may use this grant to initiate any of the development activities in the eligible list of projects. Credit unions must select the project for which they plan to use the grant during the application process. Changes to the approved project are prohibited unless you receive approval in advance from NCUA in writing.

- Develop a management succession plan.
- Develop a diversity and inclusion plan and/or obtain diversity and inclusion training for credit union employees.
- Develop policies & procedures and/or position descriptions for essential credit union roles.
- Create a career track strategy for entry-level or mid-career positions.
- Enroll an employee in advanced training courses to enhance his/her leadership skills and/or operational knowledge of credit unions.
- Partner with an organization or entity that provides internships and/or employment opportunities in credit unions.
- Contract a recent graduate or student intern to assist the credit union in an area of need (e.g. information technology, marketing, finance, etc.).
  - *Special requirements for the recent graduate:*
    - Recent graduates may only be compensated through a stipend during the grant period. Employment related expenses are not permitted under this project.
    - Must have completed, within the previous calendar year (graduation date must be between January 2016 – present), a qualifying associates, bachelors, masters, professional, or doctorate degree from an accredited educational institution.
  - *Special requirements for the student intern:*
    - Student interns may only be compensated through a stipend during the grant period. Employment related expenses are not permitted under this project.
Must be enrolled in a qualifying associates, bachelors, masters, professional, or doctorate degree program from an accredited educational institution.

**Selection Criteria**

- A brief narrative providing details about the proposed project is required for this initiative.
- Project scope must align with the purpose of this grant initiative and the project selected during the application. If not, the grant application will be disqualified.
- CAMEL composite rating must be 3 or better.
- Minority Depository Institutions (MDI) credit unions with less than $30 million in assets will receive preference for this grant. Then, all non-MDI credit unions and MDI’s with assets over $30 million will be ranked by the smallest size for this grant (until funds are exhausted). Go to the NCUA Grant Program Guidance section for an example of how the selection criteria will rank for this initiative.
- No tiebreaker is needed since the smallest asset size is the primary selection criteria.

**Eligible Expenses**

The following expenses are eligible for reimbursement if they are associated with one of the suitable projects for this initiative. Funds may not be used to cover the operating expenses of an existing project or general equipment expenses unrelated to the grant initiative such as iPads or laptops or staff salary. For example, the grant may not be used to cover the expenses of a project that was already in progress prior to grant approval. Go to the NCUA Grant Program Guidance section for additional expense guidelines and ineligible uses of grant funds.

- Consulting and/or strategic planning fees for the development of plans (succession planning, development of career track leadership strategy, etc.) and policies.
- Enrollment and registration fees for advanced training courses (must be completed within the grant timeframe).
- Stipend paid to recent graduate or student intern.
- Tuition reimbursement for courses related to leadership development and/or credit union operations.

**Reimbursement Documentation**

Credit unions must use this grant within 7 months. If the project takes longer, credit unions must seek NCUA’s approval. Credit unions will need to submit the following items if they are approved for this initiative. Additional information and details will be highlighted in the reimbursement guideline materials.

- Final results of the project:
1. The project’s intended goals and a summary of the delivered outcomes.
2. The impact of the grant for the credit union and underserved community.
3. A signed certification form indicating when goods or services were received.

- **Proof of purchase evidence**: Detailed invoices, work orders, receipts, or signed contracts.
- **Proof of payment evidence**: Copies of cleared checks, card statements, ACH confirmation receipts, or wire transfer confirmation.
- **Project status updates**: Credit unions are required to complete status updates in CyberGrants. NCUA will indicate the due dates in the reimbursement guideline.
- **Special requirements for recent graduates and interns**: A copy of the official transcript, resume, and certification of payment form signed by the recent graduate or intern must be provided to NCUA.
Small LICU Capacity Grant - $7,500

Purpose
Small low-income designated credit unions (LICUs) support the underserved members in their communities through various financial services and activities. The Small LICU Capacity initiative is designed to assist credit unions experiencing operational pressure that may impact their chances to survive and thrive. Eligible credit unions can use this grant to upgrade their technology systems for operational improvements. This initiative is exclusive to credit unions with assets that are less than $30 million.

Each credit union may apply for up to $7,500 for this initiative.

Suitable Grant Projects
Credit unions may use this grant to enhance the capacity of their technology systems in order to improve the credit union’s ability to serve its credit union members through any of the activities in the eligible project list.

- Converting manual credit union operations to an electronic, automated process.
- Upgrading operational technology capabilities (e.g. converting to a new core processor that improves operational efficiencies and/or offers additional products & services for members).
- Acquiring updated technology to improve the credit union’s back-office operations.
- Other technology projects designed to improve the credit union’s operational and outreach capacity.

Selection Criteria
- Asset size must be less than $30 million.
- Project scope must align with the purpose of this grant initiative and the project selected during the application. If not, the grant application will be disqualified.
- CAMEL composite rating must be 4 or better. Regional input will be solicited for credit unions with a CAMEL composite rating of 4.
- A compelling strategy that indicates how the credit union will increase its capacity to serve the underserved community and members.
- Credit unions with smaller asset sizes will receive higher rankings.
- No tiebreaker is needed since the smallest asset size is the primary selection criteria.

Eligible Expenses
The following expenses are eligible for reimbursement if they are associated with one of the suitable grant projects for this initiative. Funds may not be used to cover the operating expenses of technology systems currently used by credit unions or general equipment expenses unrelated to the grant initiative. For example, the grant may not be
used to cover the expenses of a data conversion that was already in progress prior to grant approval. Go to the NCUA Grant Program Guidance section for additional expense guidelines and ineligible uses of grant funds.

- Consulting and/or strategic planning fees for eligible projects, such as contracting with a consultant who will evaluate current technology at the credit union and identify upgrades or enhancements.
- Attorney fees to review data processing contracts (please read *The Basics of Data Processing Contracts*).
- Data processing fees associated with analytics, consolidation, and core conversions.
- Equipment expenses such as servers and laptops are permissible as one-time fixed expenses. (iPads are permitted only if the equipment is available for use by all members. For example, iPads that will be used as a teller station for members).
- Implementation (project setup, service, and startup costs) and/or enhancement fees.
- Marketing expenses must be associated with the grant project and must be less than 25% of the total grant (e.g. a $4,000 grant project is limited to a $1,000 reimbursement for eligible marketing expenses).
- Training costs associated with eligible projects.

**Application Materials**
The online application will include the following requests, but not be limited to:

- Credit unions must select the project they plan to use the grant for in NCUA’s CyberGrants system. If the project is not included in the list above, credit unions must indicate the project title.
- A project description that indicates how the technology enhancement will increase the credit union’s capacity to serve credit union members and the intended project goals for the credit union.
- A total project cost (or estimated cost).
- A detailed budget for the requested grant funds.

**Reimbursement Documentation**
Credit unions must use this grant within 12 months. If the project takes longer, credit unions must seek NCUA’s approval for an extension. Credit unions will need to submit the following items if they are approved for this initiative. Additional information and details will be highlighted in the reimbursement guideline materials.

- **Final results of the project:**
  1. The project’s intended goals and a summary of the delivered outcomes.
  2. The impact of the grant for the credit union and underserved community.
3. A signed certification form indicating when goods or services were received.

- **Proof of purchase evidence**: Detailed invoices, work orders, receipts, or contracts indicating when goods or service were received.
- **Proof of payment evidence**: Copies of cleared checks, card statements, ACH confirmation receipts, or wire transfer confirmation.
- **Project status updates**: Credit unions are required to complete status updates in CyberGrants. NCUA will indicate the due dates in the reimbursement guideline.
Underserved Outreach - $25,000

Purpose
Underserved populations experience financial hardships due to, in part, a lack of available financial services. The Underserved Outreach initiative aims to improve the financial health of individuals in underserved communities.

This grant is designed for credit unions interested in developing innovative strategies that will improve the financial health of individuals living in underserved areas. This initiative focuses on underserved population segments such as minority groups, youth & millennials, veterans, and immigrants. The outreach activities that credit unions propose are expected to drive positive business results for the credit union and increase outreach to the underserved group.

Each credit union may apply for up to $25,000 for this initiative. The window to apply for this initiative is open until August 31, 2017 at 3 pm EST. NCUA will announce the awardees for this initiative in October 2017.

Eligible Project Activities
Credit unions must identify an underserved population segment and propose a project that focuses on at least one of the following activities for the group:

1. Providing or developing an innovative financial technology or delivery service that significantly increases access of the underbanked/unbanked to the credit union.
2. Developing a new product or program (e.g. first time homeowner program).
3. Developing partnerships with other organizations to assist the needs of low wealth persons and households. (e.g. Providing financial literacy and education that improves financial decisions.)
4. Providing small business or workforce training for underserved individuals interested in starting and growing a business.

Selection Criteria
This initiative will be reviewed by a diverse panel of NCUA officials with various expertise and professional specialties.

- CAMEL Composite and Management ratings must be 2 or better.
- The initiative will be subjectively assessed for the following factors:
  i. A compelling strategy to create greater economic opportunities for an underserved population.
  ii. Method of service/product delivery (how the credit union plans to get resources in front of underserved population and scale it up for greater outreach).
iii. The proposed strategic use of the grant funds to support Underserved Outreach (e.g. 30% of the grant will be used to purchase financial educational gaming solution that will teach underserved population how to incrementally build saving habits OR 20% of the grant will be used to cover implementation fees for a new financial technology solution that will help underserved population obtain a business loan for 20% less. Transactional uses of the grant such as vendor processing fees for member transactions are not permitted for this initiative).

iv. The articulation of value created for the underserved population and positive impact on the credit union’s financial and growth performance.

v. History of developing programs and services to reach underserved populations.

vi. The feasibility of the project and the role of partnerships with other organizations.

Eligible Expenses
Approved applicants will receive information via approval letter and the automated grant system CyberGrants regarding eligible expenses and required documentation required for reimbursement. The following are examples of potential eligible expenses:

- Demographic studies.
- Consultant services in developing an outreach strategy and marketing plan targeted to minority, unbanked, and underbanked populations.
  - Expenses associated with developing marketing materials in other languages targeted to minority, unbanked and underbanked populations. Marketing expenses must be associated with the grant project and must be less than 25% of the total grant (e.g. a $20,000 grant is limited to a $5,000 reimbursement in eligible marketing expenses.
- Credit union staff training as financial counselors.

Application Materials
The online application will include the following requests, but not limited to:

- A detailed description of the proposed project:
  i. The unmet needs of the underserved population.
  ii. A detailed description of the strategy to reach underserved populations and improve their economic opportunities.
  iii. A brief target market analysis (must identify the population segment that will benefit from the grant).
- The projected positive impact on the credit union’s financial and growth performance.
- A total project cost (or estimated cost).
- A detailed budget for the requested grant funds (specific itemized list is required).
➢ The names and roles of the organizations/partners for the project.
➢ A description of the previous underserved outreach efforts initiated by the credit union (from January 2015 to present):
   i. A list of financial service opportunities created for underserved populations. For example, credit union products & services or economic programs targeted to underserved populations.
   ii. An estimate of the total number of loans and dollar amount provided to low-income members (percentage).
   iii. Community development goals and accomplishments.

Reimbursement Documentation
Credit unions must use this grant within 12 months. If the project takes longer, credit unions must seek NCUA’s approval. Credit unions will need to submit the following items if they are approved for this initiative. Additional information and details will be provided at the time approval notification.

➢ Final results of the project:
   1. The project’s intended goals and a summary of the delivered outcomes.
   2. The impact of the grant for the credit union and underserved community.
   3. A signed certification form indicating when goods or services were received.
➢ Proof of purchase evidence: Detailed invoices, work orders, receipts, or signed contracts.
➢ Proof of payment evidence: Copies of cleared checks, card statements, ACH confirmation receipts, or wire transfer confirmation.
➢ Project status updates: Credit unions are required to complete status updates in CyberGrants. NCUA will indicate the due dates in the reimbursement guideline.
NCUA Grant Program General Guidance

Eligibility and Requirements

All credit unions must complete the following three steps before registering for NCUA’s CyberGrants system and submitting an application. NCUA’s CyberGrants system will not recognize credit unions that have not completed each of these requirements.

1. Ensure your low-income designation (LID) is active.
2. Obtain a Data Universal Number System (DUNS) number.
3. Activate a System for Award Management (SAM) account.

Low-Income Designation
A low-income designation from NCUA is required to apply for NCUA’s Grant Program. State chartered credit unions must have the equivalent low-income designation from their respective state supervisory authority. For information on how to obtain the LID visit NCUA's website.

Data Universal Number System (DUNS)
The DUNS number is a unique nine-character number used to identify your organization. The federal government uses the DUNS number to track how federal money is allocated.

You can obtain a DUNS number by visiting the DUNS & Bradstreet (D&B) website or calling 1-866-705-5711 to register or search for a DUNS number. Registering for a DUNS number is FREE.

System for Award Management (SAM)
SAM is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes.

You can register by visiting the SAM website. To find a general description of the SAM registration process visit NCUA's website. However, please follow the entity registration procedures contained in the SAM User Guide.

An active SAM account status and CAGE number is required to apply for NCUA’s Grant Program. The SAM activation process is FREE.
Selection Criteria Examples

This section provides an example of the selection criteria and ranking process for each initiative except the Underserved Outreach. The Underserved Outreach initiative awardees will be ranked and selected by a panel.

The examples below do not reflect actual funding amounts available and credit union information. They are presented for illustration purposes only.

Digital Services & Security
The example below presumes that the total grant allocation available for the initiative is $60,000.

<table>
<thead>
<tr>
<th>Credit Union</th>
<th>Asset Size</th>
<th>CAMEL Comp</th>
<th>Digital Services &amp; Products offered by CU.</th>
<th>Grant Amount</th>
<th>Funding Available</th>
<th>Receives Grant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>$812,385</td>
<td>1</td>
<td>4</td>
<td>$7,500</td>
<td>$60,000</td>
<td>Y</td>
</tr>
<tr>
<td>I</td>
<td>$2,545,341</td>
<td>3</td>
<td>4</td>
<td>$7,500</td>
<td>$52,500</td>
<td>Y</td>
</tr>
<tr>
<td>G</td>
<td>$7,004,853</td>
<td>3</td>
<td>5</td>
<td>$7,500</td>
<td>$45,000</td>
<td>Y</td>
</tr>
<tr>
<td>A</td>
<td>$1,245,789</td>
<td>2</td>
<td>6</td>
<td>$7,500</td>
<td>$37,500</td>
<td>Y</td>
</tr>
<tr>
<td>B</td>
<td>$12,900,320</td>
<td>2</td>
<td>7</td>
<td>$7,500</td>
<td>$30,000</td>
<td>Y</td>
</tr>
<tr>
<td>F</td>
<td>$9,256,988</td>
<td>1</td>
<td>8</td>
<td>$7,500</td>
<td>$22,500</td>
<td>Y</td>
</tr>
<tr>
<td>K</td>
<td>$28,984,435</td>
<td>2</td>
<td>9</td>
<td>$7,500</td>
<td>$15,000</td>
<td>Y</td>
</tr>
<tr>
<td>E</td>
<td>$139,998,443</td>
<td>2</td>
<td>10</td>
<td>$7,500</td>
<td>$7,500</td>
<td>Y</td>
</tr>
<tr>
<td>H</td>
<td>$22,117,431</td>
<td>2</td>
<td>11</td>
<td>$7,500</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>D</td>
<td>$45,374,039</td>
<td>1</td>
<td>12</td>
<td>$7,500</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>J</td>
<td>$340,908,127</td>
<td>1</td>
<td>15</td>
<td>$7,500</td>
<td>$0</td>
<td>N</td>
</tr>
</tbody>
</table>
**Leadership Development**

The example below presumes that the total grant allocation available for the initiative is $70,000.

<table>
<thead>
<tr>
<th>Credit Union</th>
<th>Asset Size</th>
<th>CAMEL Comp</th>
<th>MDI?</th>
<th>Grant Amount</th>
<th>Funding Available</th>
<th>Receives Grant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$1,245,789</td>
<td>2</td>
<td>Y</td>
<td>$10,000</td>
<td>$70,000</td>
<td>Y</td>
</tr>
<tr>
<td>K</td>
<td>$28,984,435</td>
<td>2</td>
<td>Y</td>
<td>$10,000</td>
<td>$60,000</td>
<td>Y</td>
</tr>
<tr>
<td>C</td>
<td>$812,385</td>
<td>1</td>
<td>N</td>
<td>$10,000</td>
<td>$50,000</td>
<td>Y</td>
</tr>
<tr>
<td>I</td>
<td>$2,545,341</td>
<td>3</td>
<td>N</td>
<td>$10,000</td>
<td>$40,000</td>
<td>Y</td>
</tr>
<tr>
<td>G</td>
<td>$7,004,853</td>
<td>3</td>
<td>N</td>
<td>$10,000</td>
<td>$30,000</td>
<td>Y</td>
</tr>
<tr>
<td>F</td>
<td>$9,256,988</td>
<td>1</td>
<td>N</td>
<td>$10,000</td>
<td>$20,000</td>
<td>Y</td>
</tr>
<tr>
<td>B</td>
<td>$12,900,320</td>
<td>2</td>
<td>N</td>
<td>$10,000</td>
<td>$10,000</td>
<td>Y</td>
</tr>
<tr>
<td>H</td>
<td>$22,117,431</td>
<td>2</td>
<td>N</td>
<td>$10,000</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>D</td>
<td>$45,374,039</td>
<td>1</td>
<td>Y</td>
<td>$10,000</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>E</td>
<td>$139,998,443</td>
<td>3</td>
<td>Y</td>
<td>$10,000</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>J</td>
<td>$340,908,127</td>
<td>1</td>
<td>Y</td>
<td>$10,000</td>
<td>$0</td>
<td>N</td>
</tr>
</tbody>
</table>

**Small LICU Capacity**

The example below presumes that the total grant allocation available for the initiative is $45,000.

<table>
<thead>
<tr>
<th>Credit Union</th>
<th>Asset Size</th>
<th>CAMEL Comp</th>
<th>Grant Amount</th>
<th>Funding Available</th>
<th>Receives Grant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>$812,385</td>
<td>3</td>
<td>$7,500</td>
<td>$45,000</td>
<td>Y</td>
</tr>
<tr>
<td>A</td>
<td>$1,245,789</td>
<td>1</td>
<td>$7,500</td>
<td>$37,500</td>
<td>Y</td>
</tr>
<tr>
<td>E</td>
<td>$2,545,341</td>
<td>3</td>
<td>$7,500</td>
<td>$30,000</td>
<td>Y</td>
</tr>
<tr>
<td>G</td>
<td>$7,004,853</td>
<td>4</td>
<td>$7,500</td>
<td>$22,500</td>
<td>Y</td>
</tr>
<tr>
<td>F</td>
<td>$9,256,988</td>
<td>2</td>
<td>$7,500</td>
<td>$15,000</td>
<td>Y</td>
</tr>
<tr>
<td>B</td>
<td>$12,900,320</td>
<td>2</td>
<td>$7,500</td>
<td>$7,500</td>
<td>Y</td>
</tr>
<tr>
<td>H</td>
<td>$22,117,431</td>
<td>1</td>
<td>$7,500</td>
<td>$0</td>
<td>N</td>
</tr>
<tr>
<td>I</td>
<td>$28,984,435</td>
<td>3</td>
<td>$7,500</td>
<td>$0</td>
<td>N</td>
</tr>
</tbody>
</table>
General Expense Guidelines

All credit unions must adhere to the following expense guidelines as they pertain to each grant initiative.

- All expenses must be directly related to the specific grant initiative. Once awarded, a change in initiative will not be approved and any subsequent expenses not related to the approved initiative will be denied.

- Once approved for a project under a specific initiative, awardees are encouraged to notify OSCUI in writing prior to incurring expenses to avoid issues at the time of reimbursement submission.

- NCUA will only reimburse eligible projects indicated in the grant initiative details up to the total grant amount. Evidence of payment after the grant approval must be submitted with the reimbursement request.

- Expenses eligible for reimbursement must be paid after the grant application is approved and before the grant commitment expires. No exceptions will be made.

- Applicants are required to follow NCUA Letter to Credit Unions 01-CU-20 “Third Party Service Providers” regarding due diligence. Third party vendor agreements must be submitted which include provided services/products and associated costs. 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 the awardee credit union only. Payments to credit union officials and personnel will not be accepted.

Ineligible Expenses

In addition to following the general expense guidelines, all credit unions should avoid using grant funds on the following ineligible expenses.

- Marketing Expense Limitations:
  - General marketing expenses for the credit union are not permitted.
  - Marketing expenses are not permitted for the Leadership Development initiative.
  - In order for marketing expenses to be allowable, it must state marketing as an allowable expense under the grant initiative. For those initiatives,
marketing expenses must be associated with the grant project and must be less than 25% of the total grant (e.g. a $4,000 grant is limited to a $1,000 reimbursement in eligible marketing expenses.

➢ The following represent conflicts of interest, and as a result are ineligible uses of grant funds:

- Salaries/payments to employees for services provided.
- Employees and board members may not receive compensation from hired consultants, partners or vendors.
- Contracts, agreements or internships given to credit union employees and board members or their relatives are prohibited.

➢ The following miscellaneous operational expenses are ineligible uses of grant funds:

- Custodial services.
- Food and refreshments.
- Matching Funds such as the matching portion of an Individual Development Account program.
- Monthly and annual maintenance costs for technical support.
- Insurance costs.
- Prepaid expenses such as expenses the credit union has paid prior to receiving grant approval.
- Promotional items such as gifts, giveaways, souvenirs, and gift cards.
- Recurring operational expenses such as rent, utilities, annual audits, depreciation, funding for the allowance for loan losses, and office supplies.
- Transportation, mileage, and parking for credit union personnel, contractors, and/or officials.

➢ The following non-operational expenses are ineligible uses of grant funds:

- NCUA or other government agency employee expenses.
- Projects/Contracts based on covered relationships with NCUA employee(s).
Terms and Conditions

All credit unions are required to certify the following terms and conditions of the 2017 Grant Round in NCUA’s CyberGrant system prior to completing an application:

- The Applicant is a low-income designated credit union, as defined in Section 701.34 of NCUA’s Rules and Regulations.

- Applicant shall comply with United States Office of Management and Budget, Uniform Administrative Requirements. Cost Principles, and Audit Requirements for Federal Awards.

- Applicants are required to have an audit conducted if they hold $750,000 or more in Federal awards during a fiscal year. Applicants that hold less than $750,000 in Federal awards are exempt from this law.
  - For example, if a credit union uses a $250,000 loan from the NCUA’s Community Development Revolving Loan Fund (CDRLF) and a $500,000 grant from the Community Development Financial Institutions (CDFI) Fund, totaling $750,000 in Federal awards during the same fiscal year; then the credit union must have an audit conducted.

- Applicant is responsible for the efficient and effective administration of the Federal Award through application of sound management practices. Applicant assumes the responsibility for administering Federal Funds in a manner consistent with underlying agreements, program objectives, and the term and conditions of the Federal Award.

- No employee, contractor, consultant or vendor has participated substantially for this Grant-funded activity, nor otherwise benefited directly or indirectly from the Grant, who, to its knowledge (assuming reasonable diligence), has a “covered relationship” with an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a reimbursement of permitted expenses thereunder.

- An employee, contractor, consultant or vendor of the Applicant would have such a “covered relationship” if he or she were either: (1) a member of the household of an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a reimbursement thereunder; or (2) a relative of such an NCUA employee with whom he or she has a close personal relationship. 5 C.F.R. 2635.502(b)(1)(ii).
• Applicant must disclose in writing to NCUA any potential conflict of interest in accordance with applicable Federal awarding agency policy.

• Per 2 C.F.R 200.113, Applicant must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award.

• The Applicant conducts its activities such that no person is excluded from participation in, is denied the benefits of, or is subject to discrimination on the basis of race, color, national origin, sex, age or disability in the distribution of services and/or benefits provided under this grant program. The credit union agrees to provide evidence of its compliance as required by NCUA. Furthermore, credit unions should ensure compliance with Title VI of the Civil Rights Act of 1964.

• If a credit union enters into commitments for a project before the grant decision is made, credit union will be obligated to pay project expenses from its own funds should the grant not be approved.

• If the Applicant obtains multiple grant awards, OSCUI will only accept ONE reimbursement request for all awards. Submission must include proof of payment and proof of purchase for ALL projects applied for under this application at the completion of the LAST project. The reimbursement request must be submitted by the deadline as provided at time of the approval.

• Requests to reallocate or change approved project (s) and/or request an extension to the deadline must be submitted in writing prior to the original deadline and approved by NCUA prior to Applicant incurring expenses.

• The Applicant is aware that NCUA will correspond with the credit union regarding this application by email (utilizing the email provided in this application).

• Applicant hereby acknowledges that NCUA reserves full discretion to deny reimbursement under this Grant in the event NCUA determines that Applicant is, or previously was, either in breach of any-condition or limitation in the grant guidelines, or in breach of the ‘covered relationship’ restriction set forth above.
• Information included in Outcome Summary or Success Stories is considered by NCUA to be Research Data and is governed by 2 CFR § 200.315 and may be made publically available.

• Applicant is aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject Applicant to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730, and 3801-3812).

**Treasury Guidance**

You are expected to follow the Office of Management and Budget (OMB) Guidance Uniform Circular 2 C.F.R. 200.

Refer to this link for additional information: [http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=02748a1e7fab72411ba2b63bc8eb05&ty=HTML&h=L&mc=true&n=pt2.1.200&r=PART](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=02748a1e7fab72411ba2b63bc8eb05&ty=HTML&h=L&mc=true&n=pt2.1.200&r=PART)

**Helpful Resources**

OSCUI has a number of resource guides for reference as you consider developing your initiatives. Please refer to our website, under [Resources](#).

A few examples are:

- The Basics of Data Processing Contracts
- Going Digital: Strategies for Providing Digital Services
- Serving the Credit Invisible
- Credit Union Leadership Resource Manual