



2019 CDRLF Grant Round Application Guidelines

Effective April 15, 2019

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CDRLF Program Overview

The purpose of the Community Development Revolving Loan Fund (CDRLF) program is to assist low-income designated credit unions in providing basic financial services to their members to stimulate economic activities in their communities. Through the CDRLF program, the NCUA provides financial support in the form of technical assistance grants to low-income credit unions serving predominantly low-income members. The CDRLF program consists of Congressional appropriations that are administered by the NCUA.

The NCUA expects to award approximately \$2 million during the 2019 grant round for the initiatives below: ¹

- Counselor Certification;
- Digital Services and Security;
- Training; and
- Underserved Outreach.

Credit unions may apply for a maximum of two grant initiatives if one of the initiatives includes the Underserved Outreach. For example, credit unions are allowed to apply for both Training and Underserved Outreach grants. However, credit unions will not be allowed to apply for any combination of initiatives that only includes Counselor Certification, Digital Services and Security, and Training.

Specific details about the purpose, types of eligible projects, maximum award amount, and application information for each initiative is located in the 2019 Grant Initiatives section of this document. Applications will be accepted from June 2 through July 20, 2019. The NCUA plans to announce the awardees by August 30, 2019.

¹ The NCUA reserves the right to adjust the amount of awards as the availability of funds may change.



Critical Dates

May 22, 2019 – The NCUA will hold a WebEx session to discuss the 2019 CDRLF grant initiatives. The WebEx session will be available on the NCUA’s Webinar Schedule webpage. Details of the time of the webinar and how to attend will be announced as the event approaches.

June 2, 2019 – The grant round opens at 9 a.m. Eastern Time. Applications are available electronically through the [NCUA’s CyberGrants System](#).

July 5, 2019 – It is recommended that the annual registration for the System of Award Management (SAM) be completed by this date. SAM registration may take up to two weeks to complete and is required to apply. Registration is available electronically through [SAM.gov](#). More details about SAM are available in the Eligibility and Administrative Requirements section of this document.

July 17, 2019 – Last day to contact the NCUA staff with inquiries on the grant round. All questions should be submitted by email at CUREAPPS@ncua.gov.

July 20, 2019 – All applications must be submitted by 11:59 p.m. Eastern. Applications are available electronically through the [NCUA’s CyberGrants System](#).

August 30, 2019 – The NCUA will notify applicants and announce awards by email from CUREAPPS@ncua.gov and through an official NCUA press release.

Note: All dates are subject to change.



2019 Grant Initiatives

This section explains details about the purpose, eligible project activities, required application information, selection process, and eligible/ineligible expenses for each grant initiative.

Credit unions may apply for a maximum of two grant initiatives if one of the initiatives is Underserved Outreach. Credit unions will not be allowed to apply for any combination of initiatives that only includes Counselor Certification, Digital Services and Security, and Training. However, any combination of the Underserved Outreach initiative with another initiative will be acceptable.

Awards of \$10,000 and less may be fixed amount grants. Grant amounts will be awarded based on the expected cost of the project, as determined by the NCUA. The following sections will outline the award amounts for various projects associated with the CDRLF program initiatives.

Awards will be reimbursed upon the completion of the project based on the amount negotiated at the time the awards are made.

Counselor Certification

Purpose

The Counselor Certification initiative is designed to provide credit union staff with a certified set of skills and knowledge that improves the financial health of members, as well as the credit union. With a certified financial or housing counselor on staff, credit unions are more equipped to implement solutions that help members yield healthy financial behaviors and make better decisions. The objective of this initiative is to help credit union staff obtain a certificate in financial and housing counseling, and use the knowledge to build partnerships that expand the credit union's capacity to fully serve members.

The maximum grant amount for this initiative is \$5,000.

Eligibility Requirements

Credit unions must have a CAMEL composite rating of 3 or better to be eligible for a Counselor Certification grant.



Eligible Project Activities

Funds for this grant initiative can be used for the following activities:

- Attendance of credit union employees in courses to be trained as certified financial, housing counselors or both; or
- Hiring a new employee who is currently certified as a financial, housing counselor or both.

Selection Process

The evaluation and selection process for the Counselor Certification initiative includes the following steps.

Step 1: Eligibility Review

The NCUA will review each application to determine if the credit union meets the eligibility requirements. Credit unions must have a CAMEL composite rating of 3 or better. Credit unions that do not meet the eligibility requirements are unable to proceed to Step 2.

Step 2: Application Ranking Order

The NCUA will rank each application in ascending order based on the credit union's asset size. There is no tiebreaker needed because asset size is the primary ranking criteria.

Step 3: Project Objective Review

The NCUA will use responses from the application information to determine if the credit union's project goals and objectives align with the intent of the initiative. Credit unions that apply for projects that do not align with the initiative objectives will not proceed to Step 4.

Step 4: Compliance Review

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or reports and findings from an audit, if deemed necessary by a reviewer. Some credit unions may not proceed to Step 5, depending on the results of the compliance review.

Step 5: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on the number of certifications the applicants is proposing to fund. Funding will be distributed until the grant allocation is exhausted.



Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Project Activity** – The credit union will need to provide information related to the training or certification courses employees will attend. The credit union will also have to state how receiving a counselor certification will further the credit union’s capacity to serve its members. If hiring a currently certified counselor, the credit union will need to describe the position the new employee will hold.
- **Award Amount** – The fixed amount your credit union is requesting for the initiative. The credit union may receive up to \$5,000 for a current employee to receive training towards counselor certification. Credit unions using the grant to hire a certified counselor may receive up to \$5,000 to use towards hiring a currently certified financial/housing counselor. Awards will not exceed \$5,000.

Eligible Expenses

Below is a list of eligible expenses for the project. Each expense is an example and this list is not exclusive.

- Enrollment and registration fees for financial and/or homebuyer counseling training courses (must be completed within the grant timeframe).
- Travel and lodging expenses, if needed, must be in line with federal rates, as listed on GSA’s website.
- Salary, benefits, or incentives used to recruit and hire a certified counselor.

Digital Services and Security

Purpose

The Digital Services and Security initiative helps credit unions implement the infrastructure to build a digital relationship with their members and safeguard credit union information from cybersecurity threats. It is crucial for credit unions to expand financial products and services for members through digital channels. Ensuring that the appropriate processes are in place to continually safeguard the credit union’s digital assets and activities is equally important. The objective of this initiative is to help credit unions establish a new digital service or security that will ultimately benefit the members. This initiative is not intended to fund continuous projects or cover costs associated with normal maintenance of digital services.

The maximum grant amount for this initiative is \$8,000.



Eligibility Requirements

Credit unions must have a CAMEL composite rating of 3 or better to be eligible for a Digital Services and Security grant.

Eligible Project Activities²

Funds for this grant initiative can be used for any of the project activities listed below, as deemed appropriate by the NCUA. Projects that are not listed in the table are prohibited.

- Bill pay;
- Biometric or multi-factor authentication;
- Data encryption;
- Digital/electronic signatures;
- E-statements;
- Malware defenses;
- Mobile/online applications for membership/share accounts/loans;
- Mobile or digital payments;
- Interactive websites;
- P2P payments; and
- Remote deposit capture.

Selection Process

The evaluation and selection process for the Digital Services and Security initiative includes the following steps.

Step 1: Eligibility Review

The NCUA will review each application to determine if the credit union meets the eligibility requirements. Credit unions must have a CAMEL composite rating of 3 or better. Credit unions that do not meet the eligibility requirements are unable to proceed to Step 2.

Step 2: Application Ranking Order

The NCUA will rank each eligible application in ascending order based on the credit union's asset size. There is no tiebreaker needed because asset size is the primary ranking criteria.

Step 3: Compliance Review

² As part of the application, projects listed do not require additional documentation or information such as a project scope or impact of the project. The NCUA has predetermined that these projects and use of proceeds are consistent with the purpose of the CDRLF program and its requirements.



The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or reports and findings from an audit if deemed necessary by a reviewer. The NCUA will review previous awards made in this initiative to ensure the applicant is not applying for the same project for which it received an award in the past. Some credit unions may not proceed to Step 4, depending on the results of the compliance review.

Step 4: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on various factors such as the specific project, amount requested, funding availability, and the compliance review results. Funding will be distributed until the grant allocation is exhausted.

Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Project Activity** – Select the project activity from the list of approved activities for which the credit union plans to use the grant (more than one is acceptable).
- **Award Amount** – The fixed amount your credit union is requesting for the initiative. The credit union may receive up to \$8,000 upon completing an eligible Digital Services and Security project activity. Awards will not exceed \$8,000.

Eligible Expenses

Below is a list of eligible expenses for the Digital Services and Security project activities.

- Implementation (project setup, service, and startup costs) or enhancement fees.
- Consulting or strategic planning fees.
- Marketing expenses must be associated with the grant project and are limited to 25 percent of the total grant.
 - For example, an \$8,000 grant project is limited to \$2,000 in reimbursable expenses for marketing materials.
- Training costs associated with eligible projects.

This list is not exhaustive. Any questions regarding the eligibility of expenses should be submitted to CUREAPPS@ncua.gov prior to the expense being incurred.



Training

Purpose

The Training initiative focuses on helping credit unions develop the skills and talents of employees through specialized management programs and advanced training courses. The goal of this initiative is to enhance the operational knowledge of credit union employees and support staff professional development.

The maximum grant amount for this initiative is \$5,000.

Eligibility Requirements

Credit unions must have a CAMEL composite rating of 3 or better in order to be eligible for a Training grant.

Eligible Project Activities

Credit unions may use this grant for one of the following projects:

- Develop a management training program;
- Develop a diversity and inclusion training plan or program;
- Enroll employees in advanced training courses for management and leadership skills; or
- Enroll employees in advanced training courses for credit union operations.

Selection Process

The evaluation and selection process for the Training initiative includes the following steps.

Step 1: Eligibility Review

The NCUA will review each application to determine if the credit union meets the eligibility requirements. Credit unions that do not meet the eligibility requirements are unable to proceed to Step 2. In order to pass the eligibility requirements, credit unions must have a CAMEL composite rating of 3 or better.

Step 2: Application Ranking Order

- First, the NCUA will rank each application in ascending order based on the credit union's asset size and Minority Depository Institution (MDI) status.
- Then, all non-MDI credit unions will be ranked in ascending order based on asset size. There is no tiebreaker needed because asset size is the primary ranking criteria.



Step 3: Project Objective Review

The NCUA will use responses from the application information to determine if the credit union's project goals and objectives align with the intent of the initiative. Credit unions that apply for projects that do not align with the initiative objectives will not proceed to Step 4.

Step 4: Compliance Review

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or reports and findings from an audit if deemed necessary by a reviewer. Some credit unions may not proceed to Step 5, depending on the results of the compliance review.

Step 5: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on the number of training events the applicants is proposing to fund. Funding will be distributed until the grant allocation is exhausted.

Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Project Title** – Provide a title for the proposed project (100 character max).
- **Project Activity** – Select an eligible project activity that the credit union plans to use the grant for (only one selection is permitted).
- **Training Information** – Enter the name and position of each credit union employee to attend training. Include a brief narrative on the impact of this training on the credit union. If an internal training program is developed, describe the program and its impact on the credit union and its staff.
- **Award Amount** – The fixed amount your credit union is requesting for the initiative. The credit union may receive up to \$5,000 upon completing an eligible Training project activity. Awards will not exceed \$5,000.

Eligible Expenses

Below is a list of eligible expenses for the Training project activities.

- Consulting and/or strategic planning fees for the development of plans and policies.
- Enrollment and registration fees for advanced training courses (must be completed within the grant timeframe).



- Tuition reimbursement for courses related to credit union leadership development and/or credit union operations.
- Travel and lodging expenses, if needed, must be in line with federal rates, as listed on GSA's website.

This list is not exhaustive. Any questions regarding the eligibility of expenses should be submitted to CUREAPPS@ncua.gov prior to the expense being incurred.

Underserved Outreach

Purpose

The Underserved Outreach initiative is designed to help credit unions implement innovative outreach strategies that will improve the financial well-being of individuals living in underserved areas. This initiative focuses on providing quality financial products and services to underserved population segments such as minority groups, youth & millennials, veterans, and immigrants. The goal of this initiative is for credit unions to employ outreach strategies that produce positive growth outcomes for the credit union and improve the financial health of individuals in underserved communities.

The maximum grant amount is \$100,000.

Eligibility Requirements

Credit unions must meet the following requirements in order to be eligible for an Underserved Outreach grant.

- CAMEL composite rating of 3 or better; and
- CAMEL Management rating of 2 or better.

Eligible Projects

Funds for this grant initiative can be used to achieve one of the projects listed below:

- Developing and implementing an innovative outreach program that increases access to financial services for the underserved community.
- Developing and implementing a new product or program tailored to underserved groups, like first time homeowner program or new American assistance.
- Developing partnerships with other organizations to assist the needs of low wealth persons and households, like providing financial education and specialized training that helps yield healthy financial behaviors and decisions.



- Providing small business or workforce training for underserved individuals interested in starting and growing a business.

Credit unions must select a project at the point of application. Projects that are not listed above are prohibited.

Selection Process

The evaluation and selection process for the Underserved Outreach initiative includes the following steps.

Step 1: Eligibility Review

The NCUA will review each application to determine if the credit union meets the eligibility requirements. In order to pass the eligibility requirements, credit unions must have a **CAMEL composite rating of 3 or better AND a Management rating of 2 or better**. Credit unions that do not meet the eligibility requirements are unable to proceed to Step 2.

Step 2: Project Objective Review

The NCUA will use information from the Underserved Outreach application to determine if the credit union's project goals and objectives align with the intent of the initiative. Credit unions that apply for projects that do not align with the initiative objectives will not proceed to Step 3.

Step 3: Compliance Review

The NCUA will assess each credit unions past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or reports and findings from an audit if deemed necessary by a reviewer. Some credit unions may not proceed to Step 4, depending on the results of the compliance review.

Step 4: Application Ranking Order

- Multiple reviewers will evaluate each eligible application. Each reviewer will use the application information to assess and score the applications independently, using the analysis framework and selection criteria provided by the NCUA. The total score from each reviewer will be combined into a grand total score to determine the application ranking order.
- The reviewers will convene to discuss the proposals. Where scores differ significantly reviewers will discuss to come to a consensus on a final score.



Step 5: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on various factors such as the request amount, funding availability, and the compliance review results. Funding will be distributed until the grant allocation is exhausted.

Analysis Framework and Selection Criteria

The reviewers will evaluate each application using a point scale based on the following selection criteria:

1. Importance to the Underserved,
2. Business Outreach and Collaboration Strategy,
3. Impact and Opportunity, and
4. Growth and Expansion Objectives.

A description of each selection criteria and its corresponding narrative guidance is listed below. Credit unions must thoroughly support each criteria in the application with responses to the narrative guidance.

Importance to the Underserved

The credit union's ability to identify, understand, and describe the financial challenges of the underserved population it plans to help.

Narrative Guidance:

- Describe the economic-related challenges of the underserved population. Provide data to support your case.
- Address how these challenges affect the underserved population.
- Discuss why this matters to your credit union and how it affects the community.

Business Outreach and Collaboration Strategy

The credit union's ability to explicitly articulate a clear business outreach strategy that aligns with the project objective and increases the underserved population's access to financial services and products. Additionally, the credit union's ability to identify the associated potential risks and to articulate a mitigation plan.

The credit union's ability to leverage partnerships and other organizations to accomplish the project objective. The extent of the credit union's involvement in formal partnerships with other organizations that help the underserved population.

Note: This is not an assessment of whether or not a credit union has a strategic



collaboration or partnership in place, but an assessment of how a credit union will coordinate with other organizations to expand resources to the underserved population.

Narrative Guidance for Business Outreach Strategy:

- Describe the credit union's business outreach strategy.
- Explain how your business outreach strategy aligns with the project objective selected.
- Identify any financial services and products your credit union already offers or plans to offer to help the underserved population.
- Discuss how your strategy will expand the underserved population's access to the proposed financial services and products.
- Describe how your outreach activities will get affordable financial services and products in front of the underserved population. Explain how your strategy is different from competitors in the same target market.
- Identify and explain any needs to create new policies and procedures or modify existing ones.
- Identify and describe any potential risks associated with your project. Explain how your credit union plans to mitigate the risks.

Narrative Guidance for Collaboration Strategy:

- Describe any strategic plans your credit union has to leverage or develop a partnership with other organizations.
- Discuss the extent of the partnership and how the project activities will be coordinated among the partnership group.
- Provide the name and roles of the organizations you plan to collaborate with. Include any formal agreements or documents that can support the need for collaboration or partnership.

Impact and Opportunity

The credit union's ability to identify, understand, and describe how the project objective will impact the underserved population and improve their economic opportunities. For example, increasing job opportunities in the community will help improve the unemployment rate or expanding free access to small business training for underserved populations will help start "X" number of new small businesses.



Narrative Guidance:

- Discuss the significance of your project objective and how it will impact the underserved.
- Explain how your project objective will improve economic opportunities and circumstances for the underserved population.
- Identify how your project will create value for the underserved population.
- Identify and discuss how your credit union will define and determine successful impact.

Growth and Expansion Objectives

The credit union's ability to identify and describe growth and expansion objectives that also foster better financial conditions for the underserved population. Additionally, the extent to which the credit union's proposed project will help achieve its strategic growth goals that are feasible and quantifiable. For example, increasing loan growth by offering a payday loan alternative program will help the credit union's loan portfolio grow by X percent and save each member \$X on average annually.

Narrative Guidance:

- Identify and describe the growth and expansion objectives your credit union wants to achieve in the next two to three years.
- Describe how your project objective will help your credit union achieve these growth and expansion objectives.
- Explain how this grant will increase your credit union's ability to accomplish the stated growth and expansion objectives.
- Explain how your credit union plans to effectively manage the grant and ensure the credit union is capable of achieving its growth and expansion goals.
- Identify and describe how your credit union plans to evaluate and monitor the overall project.

Scoring Description and Framework

The reviewers will use the scoring descriptions and framework listed below to score the applications.

Exceptional

- Score Range: 22 – 25
- The credit union has provided overwhelming evidence throughout the application that demonstrates all funding criteria are met. Responses are outstandingly clear, well-articulated, and appropriate. The supporting materials



are of the highest quality, highly relevant, and lead to a deeper understanding of the project.

Strong

- Score Range: 19–21
- The credit union has provided clear evidence throughout the application that demonstrates funding criteria are met. Responses are clear, well-articulated, and appropriate. The support materials are of high quality, suitably relevant, and lead to a better understanding of the project.

Good

- Score Range: 16–18
- The credit union has provided sufficient evidence throughout the application that demonstrates the basic funding criteria are met. Responses are generally clear and appropriate but not consistently well-expressed. The support materials are of average quality and relevance.

Fair

- Score Range 13–15
- The credit union has provided limited evidence throughout the application that demonstrates funding criteria are met. Responses are appropriate, but with limited detail. The support materials are limited and/or inconsistent in quality.

Weak

- Score Range: 1–12
- The credit union has provided very limited or no evidence throughout the application that demonstrates funding criteria are met. Responses lack detail and are difficult to understand. The supporting materials are insufficient, of poor quality or both.

Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Project Title** – Provide a title for the proposed project (100 character max).
- **Project Objective** – Select a project objective from list of eligible projects for which the credit union plans to use the grant (only one selection is permitted).
- **Request Amount** – Enter the amount your credit union is requesting for the initiative. Underserved Outreach grants are capped at \$100,000.



- **Project Executive Summary** – Provide an executive summary of the project activity selected by the credit union. This section should discuss how the proposed project will benefit the members of the credit union and community. Make sure to discuss the benefit to the community (At least 500 characters are required. 2000 character max).
- **Project Start and End Date** – Provide the dates the credit union expects the project to start and end. The maximum performance period for Underserved Outreach grants is three years.
- **Underserved Population** – Identify the underserved population the credit union plans to target. The list of choices include:
 - disadvantaged minority communities,
 - elderly people or senior citizens,
 - millennials or Generation Y,
 - newly naturalized citizens,
 - people with disabilities,
 - unbanked or underbanked households,
 - veterans and active duty military.

If the group you plan to target is not listed, you can define the group by selecting “Other” in the application.

- **Anticipated Expense Categories** – Select the expense categories the credit union plans to use the grant for.
- **Narratives for Relevant Information** – Provide a detailed response to relevant questions and information requests. The questions and information requests under the narrative guidance above are items that should be addressed within the application. The responses should further expand on the selection criteria descriptions.

Eligible Expenses

Below is a list of eligible expenses for the allowable project objectives.

- Demographic studies.
- Consultant services in developing an outreach strategy and marketing plan targeted to the identified underserved population.
- Expenses associated with developing marketing materials in other languages targeted to the identified underserved population.
 - Marketing materials must be associated with the grant project and are



limited to 25 percent of the total grant. For example, a \$100,000 grant is limited to a \$25,000 reimbursement for marketing materials.

- Other (credit unions will be asked to describe the expense category).

General Guidance

This section contains general details and guidance about the overall CDRLF program. The topics in this section include eligibility and administrative requirements, general expense guidelines, ineligible expenses, terms and conditions, regulatory guidance, grant budget example, reporting requirements, reimbursement request information and other helpful resources offered by the NCUA's Office of Credit Union Resources and Expansion.³

Eligibility and Administrative Requirements

All credit unions must complete the following three steps before registering for the [NCUA's CyberGrants system](#) and submitting an application. The NCUA's CyberGrants system will not recognize credit unions that have not completed each of these requirements.

1. Ensure your low-income designation 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 the NCUA is required to apply for the NCUA's CDRLF programs. State chartered credit unions must have the equivalent low-income designation from their respective state supervisory authority. For information on how to obtain the designation, visit the [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.

³ The eligibility and requirements for this section should not be confused with the specific eligibility requirements associated with each initiative. This section emphasizes items that apply to all credit unions, regardless of the grant initiative.



You can obtain a DUNS number by visiting the [Dun & 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 following the [NCUA's general SAM registration instructions](#). 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 the NCUA's CDRLF programs. The SAM registration process is **FREE**. Credit unions that have an existing registration with SAM must recertify and maintain an active status annually.

General Expense Guidelines

All credit unions must adhere to the following general expense guidelines, unless told otherwise by the NCUA in writing. These guidelines apply to each grant initiative.

- Expenses eligible for reimbursement must be incurred ***after*** the grant application is approved and ***before*** the grant commitment expires, unless told otherwise by the NCUA in writing.
- All expenses must be directly related to the specific grant initiative that was approved. Changes to an initiative will not be allowed and any subsequent expenses not related to the approved initiative will be denied.
- In the event that a credit union is unsure about the eligible expenses associated with the project, credit unions are encouraged to notify the NCUA in writing prior to incurring the expenses. This helps avoid issues at the time of a reimbursement request submission. Inquiries can be submitted by email to CUREAPPS@ncua.gov.
- For expenses not described in this document, the CDRLF grant program follows the cost principles in 2 C.F.R. part 200 Subpart E.
- Counselor Certification, Training, and Digital Services and Security grants are fixed amount awards. Recipients will receive the full amount of their award upon completion of the eligible project, regardless of actual costs incurred. The credit union must provide evidence that the proposed project was successfully completed in order to receive reimbursement.
- In the case of Underserved Outreach grants, evidence of payment ***after the grant approval*** must be submitted with the reimbursement request. The NCUA will only reimburse eligible projects and expenses up to the total



grant limit for the initiative.

- Applicants are required to follow the [NCUA Letter to Credit Unions 01-CU-20](#) regarding “Due Diligence Over Third-Party Service Providers”. Third party vendor agreements submitted must include the services or products provided and the 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 made.

Ineligible Expenses

All credit unions should avoid using grant funds on the following ineligible expenses.

- Marketing Expense Limitations:
 - 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 are limited to 25% of the total grant. For example, a \$4,000 grant is limited to a \$1,000 reimbursement in eligible marketing expenses.
 - General marketing expenses for the credit union’s normal operations are not permitted.
 - Marketing expenses are not permitted for the Training initiative.
- The following represent conflicts of interest, and as a result are ineligible uses of grant funds:
 - 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:
 - Indirect costs.
 - 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 financial audits, depreciation, funding for the allowance for loan losses, and office supplies.
- The following non-operational expenses are ineligible uses of grant funds:
 - The NCUA or other government agency employee expenses.
 - Projects/Contracts based on covered relationships with the NCUA employee(s).

Terms and Conditions

All credit unions are required to certify the following terms and conditions in the NCUA's CyberGrants system prior to submitting an application:

- The Applicant is a low-income designated credit union, as defined in Section 701.34 of the 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 the 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 the 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 grant is approved the credit union may be responsible for a portion of the expenses due prior to the grant approval date.
- 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 the NCUA prior to Applicant incurring expenses.
- The Applicant is aware that the NCUA will correspond with the credit union regarding this application by email (utilizing the email provided in this application).
- Applicant hereby acknowledges that the NCUA reserves full discretion to deny reimbursement under this grant in the event the NCUA determines the 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 the 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).

Regulatory Guidance

Credit unions are expected to follow the Office of Management and Budget's (OMB) Uniform Guidance at 2 CFR 200. Refer to the following link for the full text:

<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=02748a1e7fab41711ba2b063bc8eb05&ty=HTML&h=L&mc=true&n=pt2.1.200&r=PART>



CDRLF Grant Budget Example

(For Underserved Outreach Only)

The Project Budget specifies the resources required to carry out the proposed project. This is the backbone of the grant application. Project activities must drive the budget and the project narrative should align with the budget. The Project Budget should be clear, well organized, and easy to understand. Consider using an excel spreadsheet for more detailed categories.

The Budget Narrative is the justification of “how” and/or “why” a line item helps to meet the project goals. Explain the details and show the calculations used to arrive at the numbers (quotes and proposals from vendors are also acceptable). The Budget Narrative should validate all expenses as reasonable and appropriate for the project.

The goal of the Budget Narrative is to help the NCUA’s reviewers understand the scope of the credit union’s project. Because this example is purposely generic, the credit union may choose to be more or less elaborate accordingly. The Budget Narrative should address the largest categories of expense and revenue in the project budget.

Be realistic. Significant over and underestimating suggests that the credit union may not understand the scope of the project.

1. Expenses

Significant Line Item Descriptions – *Describe each significant line item, showing how amounts were derived and explaining how the line item relates to the project. Also, explain how the line item will help the credit union in administering the project.*

- **Technology System: \$50,000**
One-year implementation fees to license a technology system that connects the underserved members with employment and financial services at the same time. The system will be responsible for collecting data about the underserved population and delivering the notifications to the members.
- **Project Evaluation: \$25,000**
A consultant will track and evaluate the project, and provide recommendations for program improvement, potential revenue streams, and additional outreach activities. The consultant will also create a final report that documents the impact of the project. In addition, the consultant will develop a model that can be self-sustainable and transitioned into a program. The consultant will also develop a plan that can help expand the program to other underserved populations and communities. The consultant will be paid



\$1,400 per month for the 18 months we expect the project to run.

- ...continue to describe the categories of expense for the project...

TOTAL: \$75,000

2. Revenue Sources

Pending and Pledged Funding – *Discuss the status of grant requests or pledges from other funders and the overall likelihood that the project budget can be raised within the 12 month grant period.*

- Our credit union has the following funding pledges pending:
 - The City of ABC Local Government Grant \$5,000
 - DEF Foundation \$10,000
 - TOTAL: \$15,000**
- The following support has been committed:
 - My Credit Union (own funds) \$10,000
 - GHI Credit Union (other credit union that is a partner) \$10,000
 - JKL Foundation \$5,000
 - John Doe (Generous Donor) \$5,000
 - TOTAL: \$30,000**
- The proceeds from an annual fundraiser have been committed to this project. The fundraiser will be held three months after the project start date:
 - Projected proceeds from the fundraiser is \$5,000
 - TOTAL: \$5,000**
- At this time, about 60% of the total \$75,000 budget has been pledged or received. We received strong indications that all pending funds will materialize. We will know for certain within the first month of the project start date.
 - Pending funding \$15,000
 - Committed funding \$30,000
 - Fundraiser proceeds \$5,000
 - TOTAL: \$50,000**

Our request from the National Credit Union Administration for \$25,000 would complete the credit union's \$75,000 total project budget.

3. Sustainability – *Discuss how the credit union intends to sustain the project beyond the end of the grant period.*



The Project Evaluation component of our project is specifically designed to address sustainability, with future funding recommendations a required part of the project's evaluation. In addition, the technology service will help generate and increase revenues so we can transition the project to a full-scale program.

Reporting Requirements

All credit union awardees are responsible for the timely and complete submission of the post-grant award activities. This includes, but it is not limited to, signing the grant agreement, submitting a project status update, and completing a reimbursement request.

Grant Agreement:

The grant agreement formalizes the relationship between the NCUA and the credit union and explains the responsibilities and expectations of both parties. Each credit union must complete and accept the terms of the agreement within the specified timeframe. Failing to complete the agreement within the specified timeframe will result in the grant being withdrawn from the credit union.

Project Status Update:

The NCUA will notify credit unions that are required to submit a status update by email. This will include the deadline to complete it. Status updates are a deliverable for some grants and should be completed whether or not work has occurred on your project. Not submitting a complete progress report by the deadline defined in your grant agreement will result in any subsequent reimbursement request being delayed or denied. Status updates should reflect implementation activities for the duration of the project thus far.

Reimbursement Request:

The final post-grant award activity is the reimbursement request. All NCUA grants are reimbursements. Credit unions must use their own funds for the approved project according to the terms and conditions of the grant agreement, then request a reimbursement for the eligible expenses incurred. In general, each reimbursement request requires credit unions to provide an outcome summary, proof of payment and purchase documents, and certification the grant funds were used accordingly. The specific requirements for each initiative may be subject to change but will be outlined in the post grant award guidance provided by the NCUA to grant awardees.

Helpful Resources

The Office of Credit Union Resources and Expansion has a variety of other services and resources available for credit unions. We offer a customer service approach to credit unions seeking regulatory and resource assistance in their development and expansion efforts. Services and resources the NCUA offers includes:



- Grants and low-interest loans for low-income designated credit unions.
- Help with CDFI certification, including access to the streamlined CDFI certification application.
- A [Learning Management Service](#) that delivers online training for credit unions at no cost. Available training topics include governance, new products and services, and how to improve operations. We will be adding training on field of membership, charter changes, and share insurance.
- A program to preserve and grow minority depository institutions.

For more information, refer to our website:

<https://www.ncua.gov/services/Pages/resources-expansion.aspx>



Contact Information

If you need to get in touch with someone regarding the CDRLF program, send your request by e-mail to CUREAPPS@ncua.gov. Please allow 48 to 72 hours for a response.

For answers to common credit union questions, you can use our FAQ+ tool. FAQ+ is a knowledge base populated with answers to common credit union questions. If you have a question whose answer isn't in our knowledge base, just submit it, and we'll get back to you, generally within two business days. Your question and answer will then be included in FAQ+ waiting for the next curious person looking for an answer. To use the FAQ+ tool, go to our [website](#) and look for the box at the top of the page with "How can we help?"

Below is the contact information for other service areas of CURE.

- Chartering: NewFCU@ncua.gov
 - Field-of-Membership Expansion: DCAMail@ncua.gov
 - CDFI Certification: CURECDFI@ncua.gov
 - Learning: CURELMS@ncua.gov
 - For all other inquiries: CUREMail@ncua.gov
 - Contact us by Phone: 703.518.6610
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