

National Credit Union Administration
2016 OSCUI Grant Guideline

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Part I. OSCUI Grant Program Information

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.

Low-income designated credit unions may apply for funding under this program. Applications for the 2016 Grant Round will be accepted from ***June 1 to June 30, 2016, 5 pm EST***.

OSCUI will fund initiatives for Capacity and Growth, Cyber Security, Staff Training, and Student Interns. Below is a summary of each initiative's purpose.

Summary of Grant Initiatives

Capacity and Growth – Maximum Grant - \$15,000

The Capacity and Growth initiative provides an opportunity for credit unions with a vision for growth. Funding is available to credit unions that implement new lending strategies, deposit products, or other growth strategies to expand and increase financial access to underserved communities resulting in more opportunities.

Cyber Security – Maximum Grant - \$7,000

This initiative is designed to assist credit unions in building the infrastructure needed to continually monitor and enhance the security of its data systems and to protect member information.

Staff Training - Maximum Grant - \$3,000

This initiative provides funds to train credit union staff and volunteers in areas related to credit union governance, management, and operations. Trainees may attend more than one training event, which can be in-person or web-based.

Student Internship - Maximum Grant - \$4,000

This initiative provides students enrolled in high school or college with valuable work experience in credit unions. Credit Unions may hire students who have academic knowledge or interest in an area of credit union need such as marketing or information technology.

Part II. Grant Initiative Details

<u>Capacity and Growth</u>	
Purpose	To support credit unions considering new lending programs, deposit products, or other growth strategies that will increase financial service opportunities for their members.
Eligibility Requirement	<ul style="list-style-type: none"> ▪ Both CAMEL Composite and Management rating must be two or better ▪ Projects must be new to the credit union
Evaluation Criteria	<ul style="list-style-type: none"> ▪ Credit unions will be ranked by their Serving Underserved score- The SU score was developed by NCUA’s Office of the Chief Economist to evaluate a credit union’s ability to serve the underserved. <ul style="list-style-type: none"> ➤ Credit unions with higher scores will receive a higher ranking
Grant Limit	<ul style="list-style-type: none"> ▪ Up to \$15,000 per credit union
Eligible Projects	<p>Credit unions can use this grant to initiate one or more of the projects below:</p> <ul style="list-style-type: none"> ▪ <u>Deposit Products</u> <ul style="list-style-type: none"> ➤ Installation of a new ATM ➤ Installation of a Financial Services kiosk ➤ Implement a Remittance Service Program ➤ Share Draft Program ▪ <u>Digital Growth</u> <ul style="list-style-type: none"> ➤ Account Aggregation Services ➤ Bill Pay ➤ Debit and/or Prepaid Cards¹ ➤ Digital/Electronic Signatures ➤ E-statements ➤ Home Banking ➤ Interactive/Transactional Website ➤ Mobile Banking ➤ Mobile/Online Loan Applications

¹ The purchase of gift cards is not an eligible expense under the 2016 Grant Guidelines.

	<ul style="list-style-type: none"> ➤ Mobile/Online Member and Share Applications ➤ Mobile Wallet ➤ Money Movement Capabilities (P2P) ➤ Remote Deposit Capture ▪ <u>Growth Strategies</u> <ul style="list-style-type: none"> ➤ ALM Model Implementation ➤ Demographic Study ➤ Credit Union Human Resource Development Strategies such as Human Resources Compliance Review, Development of Position Descriptions, or Career Track Strategy Development ➤ Network Credit Union Model (conduct a study on Network credit union feasibility or implementation costs) ➤ Product Pricing Analysis ▪ <u>Lending Products</u> <ul style="list-style-type: none"> ➤ HELOC ➤ Home Purchase Programs ➤ Member Business Lending ➤ Risk Based Lending
<p style="text-align: center;">Eligible Expenses</p>	<p>The following expenses are eligible for reimbursement. However, they must be related to implementing a new program. Funds may not be used to cover operating expenses of an existing program.</p> <ul style="list-style-type: none"> ▪ Accounting Costs Associated with Network CU model ▪ Attorney Fees ▪ Construction ▪ Consulting ▪ Data Processing such as analytics, consolidation, and conversions. ▪ Feasibility Study ▪ Implementation ▪ Marketing (not to exceed \$2,500) <p>See Part III – Grant Program Guidance for additional expense guidelines and ineligible expenses.</p>

**Reimbursement
Documentation**

Credit unions must submit the following items when requesting reimbursement.

- Scope of work document for the project
- Final report of the project
- Proof of purchase such as invoices or receipts
- Proof of payment such as a cleared check or credit card statement

<u>Cyber Security</u>	
Purpose	To support enhanced credit union cyber security and protect member information.
Eligibility Requirement	<ul style="list-style-type: none"> ▪ CAMEL Composite rating must be three or better
Evaluation Criteria	<ul style="list-style-type: none"> ▪ Credit unions will be ranked by their Serving Underserved score <ul style="list-style-type: none"> ➢ Credit unions with higher scores will receive a higher ranking ▪ Credit unions that did not receive a Cyber Security grant in 2015 will receive priority
Grant Limit	<ul style="list-style-type: none"> ▪ Up to \$7,000 per credit union
Eligible Projects	<p>Credit unions can select more than one project from the list below:</p> <ul style="list-style-type: none"> ▪ Biometric or multi-factor authentication systems ▪ BSA audits ▪ Compliance risk assessments ▪ Developing or implementing data classification policy ▪ Encrypting and/or protecting sensitive data ▪ Enhance Online banking interface (security upgrades) ▪ Information systems and/or cyber security training ▪ Implementing an effective automated method or process for monitoring unusual or suspicious transactions ▪ Implementing and monitoring cyber security risk exposure ▪ Membership to a Financial Institution Cyber Security organization such as FS-ISAC² ▪ Systems Test or Risk Assessment, examples include: <ul style="list-style-type: none"> ➢ Systems penetration test ➢ Internal and external vulnerability test ➢ Social engineering assessment

² NCUA does not endorse or recommend any commercial products, processes, or services.

<p>Eligible Expenses</p>	<p>The following expenses are eligible for reimbursement. They must be related to implementing/enhancing one of the eligible cyber security projects.</p> <ul style="list-style-type: none"> ▪ Implementation ▪ Planning ▪ Start-up costs <p>Funds may not be used to cover implementation and operational expenses of an existing program OR equipment expenses such as iPads or laptops.</p> <p>See Part III – Grant Program Guidance for additional expense guidelines and ineligible expenses.</p>
<p>Reimbursement Documentation</p>	<p>Credit unions must submit the following items when requesting reimbursement.</p> <ul style="list-style-type: none"> ▪ Final report of the project ▪ Proof of purchase such as invoices or receipts ▪ Proof of payment such as a cleared check or credit card statement

<u>Staff Training</u>	
Purpose	To cover expenses related to staff and board enrollment and registration for training.
Eligibility Requirement	<ul style="list-style-type: none"> ▪ CAMEL Composite rating must be three or better
Evaluation Criteria	<ul style="list-style-type: none"> ▪ Credit unions will be ranked by asset size <ul style="list-style-type: none"> ➤ Credit unions with smaller asset sizes will receive a higher ranking ▪ Credit unions that did not receive a NCUA Training grant in 2015 will receive priority
Grant Limit	<ul style="list-style-type: none"> ▪ Up to \$3,000 per credit union
Eligible Training Topics	Eligible training topics must be related to credit union operations.
Eligible Expenses	<p>The following expenses are eligible for reimbursement.</p> <ul style="list-style-type: none"> ▪ Enrollment ▪ Registration ▪ Training materials such as books and online resources ▪ Webinar subscriptions <p>Funds may not be used to cover equipment lodging, or travel expenses.</p> <p>See Part III – Grant Program Guidance for additional expense guidelines and ineligible expenses.</p>
Reimbursement Documentation	<p>Credit unions must submit the following items when requesting reimbursement.</p> <ul style="list-style-type: none"> ▪ Certification of Training Funds Spent Form. This form will be provided in the CyberGrants online application.

<u>Student Internship</u>	
Purpose	To assist credit unions in providing students with professional work experience in credit unions.
Eligibility Requirement	<ul style="list-style-type: none"> ▪ CAMEL Composite rating must be three or better
Evaluation Criteria	<ul style="list-style-type: none"> ▪ Credit unions will be ranked by asset size <ul style="list-style-type: none"> ➤ Credit unions with smaller asset sizes will receive a higher ranking ▪ Credit unions that did not receive a NCUA grant in 2015 for a student intern will receive priority
Grant Limit	<ul style="list-style-type: none"> ▪ Up to \$4,000 per credit union
Eligible Projects	<ul style="list-style-type: none"> ▪ Hire an intern that is enrolled in high school or college at the beginning of the internship ▪ Students who previously participated in the NCUA internship program are eligible for the program as long as they are enrolled in school
Eligible Expenses	<p>The only expense eligible for reimbursement under this initiative are funds used to pay the intern. Funds may not be used to cover any other items but the pay to the student. A current or former employee of your credit union is not eligible to become an intern.</p> <p>See Part III – Grant Program Guidance for additional expense guidelines and ineligible expenses.</p>
Reimbursement Documentation	<p>Credit unions must submit the following items when requesting reimbursement.</p> <ul style="list-style-type: none"> ▪ Certification of Business Hours Worked Form. This form will be provided in the CyberGrants online application. ▪ Amount paid to the student.

Part III. 2016 Grant Program Guidance

<u>General Application Guidance</u>	
Eligibility and Requirements	<p>Credit unions must have the following to apply:</p> <ul style="list-style-type: none"> ▪ A low-income designation from NCUA or its respective state supervisory authority and a CAMEL Composite rating of three or better. ▪ A DUNS number. For a DUNS number call 1-866-705-5711 or go to http://fedgov.dnb.com/webform. ▪ An active System for Award Management (SAM) account status. To activate your SAM account go to http://www.sam.gov. A guide to assist with registration is available in Part VI.
Evaluation Criteria	<p>Each initiative uses a different set of criteria—such as small asset size priority or the Serving Underserved (SU) Score—to rank the applications.</p>
Expense Guidelines	<ul style="list-style-type: none"> ▪ All expenses must be directly related to the specific project approved. ▪ NCUA will reimburse expenses listed in approved grant applications 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 <i>after</i> the grant application is approved and <i>before</i> the grant commitment expires. ▪ Applicants are required to follow the due diligence over “Third Party Service Providers” as directed by NCUA Letter to Credit Unions 01-CU-20 and must submit a written agreement detailing the services/products with costs involved. Contractor fees that are not substantiated in writing in a partnership/contractor’s agreement will not be reimbursed.

	<ul style="list-style-type: none"> ▪ Invoices from outside parties must be billed to and paid by the credit union. ▪ Reimbursements will be made to the awardee credit union only.
<p>Ineligible Expenses</p>	<ol style="list-style-type: none"> 1. The following represent conflicts of interest and as a result are ineligible uses of grant funds: <ul style="list-style-type: none"> ▪ Salaries/payments to employees for services provided ▪ Employees and board members may not receive compensation from hired consultants, partners or vendors ▪ Contracts given to credit union employees and board members or their relatives are prohibited. 2. The following miscellaneous operational expenses are ineligible uses of grant funds: <ul style="list-style-type: none"> ▪ Custodial services ▪ Food and refreshments ▪ Matching Funds such as the matching portion of an Individual Development Account program ▪ Monthly, annual maintenance, and insurance costs ▪ Prepaid expenses such as expenses the credit union has paid prior to receiving grant approval ▪ Promotional items such as gifts, giveaways, souvenirs, 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 employees 3. The following non-operational expenses are ineligible uses of grant funds: <ul style="list-style-type: none"> ▪ NCUA or other government agency employee expenses ▪ Projects/Contracts based on covered relationships with NCUA employee(s)

**Terms and
Conditions**

- All applicants are required to review and certify the terms and conditions in the “Additional Terms and Conditions” section in CyberGrants.
- Credit unions must confirm that grant funds will be used within 6 months of grant approval. Failure to do so will result in the grant approval being withdrawn from the credit union.

Part IV. Frequently Asked Questions

A. What are the eligibility requirements 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 and concurrence from NCUA.

For information on how to obtain the low-income designation visit the [NCUA website](#).

In addition, credit unions must have a CAMEL Composite rating of three or better.

B. What is the deadline for the 2016 Grant Round?

Applications for the 2016 Grant Round will be accepted beginning June 1, 2016 at 9am EST until June 30, 2016 at 5pm EST.

C. What are the grant initiatives for the 2016 Grant Round?

There are four grant initiatives for the 2016 Grant Round. Capacity and Growth, Cyber Security, Staff Training, and Student Internships. For more details about each initiative refer to the Grant Initiative Details section in Part II.

D. How do I apply for a grant?

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

E. How soon will NCUA notify me of its final decision?

We will notify you of the final decision of your grant application by email during the week of July 25, 2016.

F. How many initiatives can my credit union apply for?

Each credit union can apply for as many initiatives as you choose. However, keep in mind that grant awards are subject to the availability of funds.

G. Will NCUA reimburse expenses paid prior to our grant approval?

These expenses are not eligible for reimbursement. Expenses eligible for reimbursement must be paid to your vendor *after* you receive grant approval and *before* your commitment expiration date. The commitment expiration date will be provided in your grant approval letter.

H. How long does it take to complete and submit an application?

The application process takes less than 15 minutes to complete.

Part V. 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. 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 technical questions regarding the grant application request, use the “*Need Support?*” link in the CyberGrants application system.

4. **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](#)

[Grants and Loans](#)

[Training](#)

[Partnerships](#)

Part VI. SAM Registration Information

The following information is a general description of the SAM registration process. However, please follow the entity registration procedures contained in the [SAM User Guide](#).

NOTE: For help and tips to complete your firm’s SAM registration, please go to the “**Help & Tips**” section at the end of this document or directly to the [SAM User Guide](#). NCUA **DOES NOT** control or administer the SAM site. You must contact SAM directly with questions related to registration or SAM account changes as the NCUA **DOES NOT** maintain this system. NCUA **WILL NOT** consider any Applicant that fails to properly register or activate its SAM account.

Step 1: Before you start, please be sure you have gathered the following information:

- Your Data Universal Numbering System (DUNS) number from Dun & Bradstreet, and the name and address associated with that DUNS. If you do not already have a DUNS Number, you can request one **FOR FREE** from D&B at: [Get a DUNS Number](#). You may also call to get a DUNS number **FOR FREE** from D&B at: 1-866-705-5711.
- Your Taxpayer Identification Number (TIN) and the business name associated with that TIN (from your W-2 or W-9)
- Your Contractor and Government Entity (CAGE) Code, if you already have one (if you don't, one will be assigned to you during registration). The CAGE code is a five-character ID number used extensively within the federal government.
- Your bank’s routing number, your bank account number, and your bank account type (i.e., checking or savings) to set up Electronic Funds Transfer (EFT), along with the bank phone or fax number. (This information is necessary for the federal government to pay you for any goods or services you provide - - if, for example, your entity or credit union is awarded a contract or grant.)

Once you have obtained this information, you will be able to proceed with your SAM registration. The entire SAM registration process is **FREE**. **You will be unable to submit your registration online unless you provide all mandatory SAM registration information.**

- Step 2:** Go to the SAM home page at <http://www.sam.gov>
- Step 3:** Select “**Create User Account**” on the left-hand side of the page. Entities must create a user account, **BEFORE** registering their firm or credit union for the first time.
- Step 4:** Click on “**Create an Account**” under the “**Individual Account Details**” heading.
- Step 5:** Complete the required information (red asterisk) and click “**Next**”. Continue following the instructions until you have created an account.
- Step 6:** Once you have created an account, return to the SAM home page and click on “**Register / Update Entity**”. The SAM Login page will appear. Then, enter your Username and Password to start the registration process.

IMPORTANT NOTES: Remember that the SAM registration process is completely free. At no time during the registration process should you be asked to provide any sort of payment or credit card information. As stated under Step 1, the SAM registration process does require you provide relevant banking information to establish a payment destination for any future contract funds. Online help for SAM registration, including frequently asked questions (FAQs), user guides, and demonstration videos, is available on the “**Help**” tab the SAM home page (www.sam.gov).

- Step 7:** Follow the SAM registration instructions until you arrive at the section to enter your firm’s appropriate NAICS codes. The NAICS codes are available on the “**Goods and Services**” subheading / page in the “**Assertions**” section of the registration. In order to add an NAICS code, you must first search for the specific NAICS number or category (for example, “**522130**” covers Credit Unions), and then click on the “**Search**” button.

Step 8: Once the NAICS search result displays, click the NAICS code search result you wish to add (in this case, “**522130**” for Credit Unions), so it is HIGHLIGHTED in blue. Then, click the “**Add**” button. The NAICS code should appear added to the right-hand panel. At this point, you may add any other appropriate NAICS codes for services your firm or credit union provides. Please note that newer NAICS codes will be added to the bottom of the list.

Step 9: Once you have updated the NAICS and Product and Service Codes (optional), complete the “**Save and Continue**” button, and proceed to an orderly exit from the SAM site.

All mandatory data elements must be completed to submit your registration. If you have done this successfully, you will see a green check mark next to each section in the navigation panel on the left side of the screen.

- Review your registration record in its entirety.
- Click “Edit” to update any necessary information in the registration.
- Click “Submit” to certify that the information is correct.
- SAM will display a confirmation indicating you successfully submitted your registration. You will also receive a confirmation email.

Your entity’s registration will NOT be considered active until the following actions take place:

- TIN Match validated by the Internal Revenue Service (IRS). It may take three to five business days from the time you submitted for the IRS to validate new and updated records prior to becoming active in SAM.
- CAGE Code is validated or assigned by DoD, as applicable.

Allow up to 10 business days after you submit your registration for it to become active in SAM and an additional 24 hours before that registration information is available in other government systems.

You will receive a confirmation email once the registration is activated. At that time, you will be eligible for Federal Financial Assistance from the U.S. Federal Government.

Step 10: Once you have completed the SAM registration process, SAM will need to validate and approve your registration. While the average overall processing time is three business days, these external reviews can take up to twelve business days. You will be notified by e-mail when the reviews are complete. You may track your SAM registration status at the SAM home page (www.sam.gov) under the “**Check Status**” button next to the “Use the **SAM Status Tracker**” title.

Important Note: When you first begin your entity’s registration process, your record is on DRAFT status. This means you are working on completing the Core Data section. Each time you save your entity record, all information that you have completed is stored and will auto-populate the next time you log in to continue working on your record. Your registration will remain in the Draft stage until the core information section has been filled out. While in the DRAFT stage, your registration is not searchable.

SAM REGISTRATION - HELP & TIPS

The Federal Service Desk (FSD) is available to offer technical support for the System for Awards Management. Before contacting the FSD, please refer to SAM’s training material located under SAM User [Help](#). The SAM User Help page includes FAQs, user guides, demonstration videos, and other materials to help you properly complete your registration or update process.

For a full set of instructions for registering in SAM, please go to the [SAM User Guide](#).

For SAM Customer Service help, please contact:

Federal Service Desk

URL: www.fsd.gov

Hours: 8am – 8pm (Eastern Time)

US Calls: 866-606-8220

International Calls: 334-206-7828

DSN: 866-606-8220