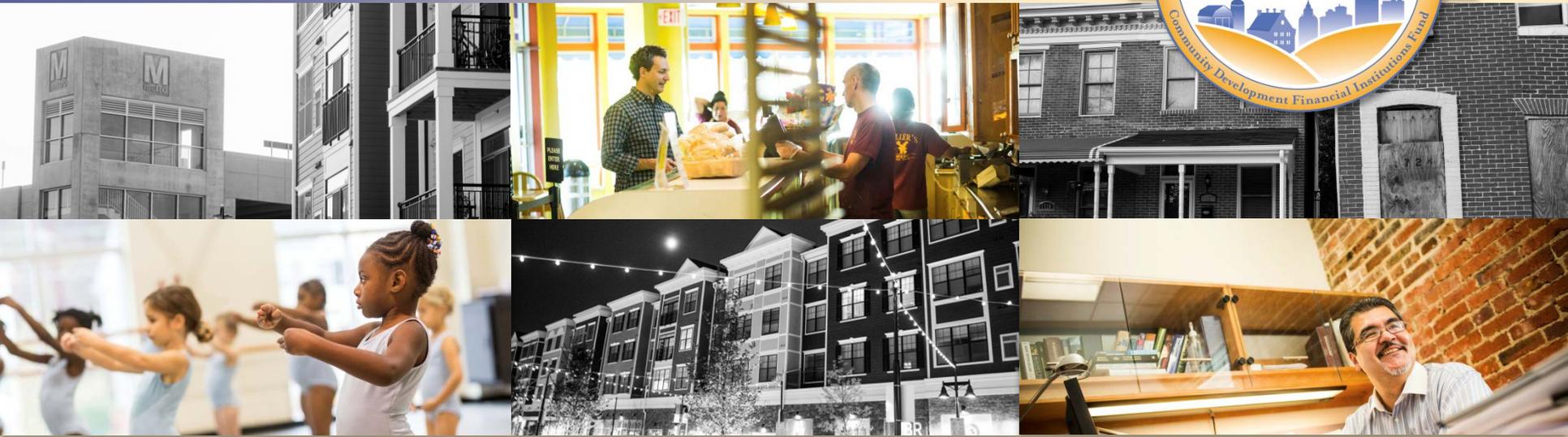


COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov



Community Development Financial Institutions Fund

FY 2014 CDFI & NACA Program
Post Award Presentation

PRESENTED BY
CDFI & NACA Program

PRESENTED ON
August 2014

Topics



- 1) **Purpose**
- 2) Award Disbursements
 - Award Disbursement Steps
 - Matching Funds Analysis
 - Subsequent Disbursements
- 3) Assistance Agreement
 - Assistance Agreement Overview
 - Annual Reporting Requirements
 - Performance Goals and Measures
 - Requirements for Sponsoring Entities (NACA TA only)
 - Eligible & Ineligible Uses of Award Funds
- 4) Awardee Compliance & Non-Compliance
- 5) Amendment Requests
- 6) CDFI Fund Resources

Purpose



- The purpose of this Post Award Training is to help FY 2014 CDFI & NACA Program Awardees understand the terms and conditions of their awards.
- References to Financial Assistance (FA) and Technical Assistance (TA) awards in this presentation include both CDFI & NACA Program Awardees, unless otherwise stated.



Topics

- 1) Purpose
- 2) **Award Disbursements**
 - **Award Disbursement Steps**
 - **Matching Funds Analysis**
 - **Subsequent Disbursements**
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Grant Disbursement Steps



All TA Awardees and FA Awardees that are receiving the entirety of their initial award disbursement in the form of a grant must complete the following steps:

- 1) Ensure that System for Award Management (SAM) account is active and bank account information in this system is up-to-date. Disbursements will be delayed if bank account information is incorrect.
- 2) Upload the following documents to your myCDFI Fund account:
 - ✓ A signed copy of the Assistance Agreement
 - ✓ Certificate of Good Standing or Legal Opinion (this requirement does not apply to regulated institutions)
- 3) Determine if a subsequent disbursement is necessary (based on CDFI Fund-issued Matching Funds Analysis letter).

Loan Disbursement Steps



The following instructions are applicable to FA Awardees that are receiving a portion or the entirety of their initial award disbursement in the form of a loan:

- 1) Ensure that SAM account is active and bank account information in this system is up-to-date. Disbursements will be delayed if bank account information is incorrect.
- 2) Access and review the Loan Obligation Notification via the Awardee's myCDFI Fund account
 - Notification will detail loan terms based on the initial Matching Funds submission
- 3) Submit a hard copy of the following documents to the CDFI Fund at 1500 Pennsylvania Avenue, NW, Washington, DC 20220
 - ✓ A signed copy of the Assistance Agreement
 - ✓ A signed copy of the Promissory Note
 - ✓ Certificate of Good Standing or Legal Opinion (this requirement does not apply to regulated institutions)
- 4) Determine if a subsequent disbursement is necessary (based on CDFI Fund-issued Matching Funds Analysis letter).



Matching Funds Analysis

- The Matching Funds Analysis Letter outlines the following about the awardee's matching funds submission:
 - 1) Matching funds that were reviewed and accepted as "In-hand"
 - 2) Matching funds that were reviewed and accepted as "Committed"
 - 3) Matching funds that were deemed ineligible
- The information included in the letter helps awardees to determine if a subsequent disbursement request is required
- A second and final Matching Funds Analysis letter will be provided after subsequent disbursement is processed

Subsequent Disbursements



- Subsequent disbursements are only applicable to FA awardees.
 - Matching funds are not a requirement of the TA program. Additionally, the matching funds requirement for the HFFI-FA Program was waived in FY 2014.
- Awardees whose initial award disbursement is less than their total award amount must request a subsequent disbursement in order to receive the remainder of award funds.
 - The FA award breakdown (e.g. loan vs. grant) is listed on the Assistance Agreement cover page.
- The amount of the initial award disbursement is based on matching funds that were accepted as “In-Hand” per the Matching Funds Analysis letter.
- Compliance status will be evaluated prior to a subsequent disbursement. If non-compliance is found, the subsequent disbursement will not be processed.

Subsequent Disbursement: Required Documents



- Subsequent disbursement requests must include the following required documents:
 - 1) Subsequent Disbursement *Certification Form*
 - 2) Subsequent Disbursement *Request Form*
 - 3) Proof that matching funds are “In-Hand”, which should include copies of checks and wire transfers, as well as grant or loan agreements/letters
 - The documentation submitted to demonstrate that matching funds are “In-Hand” must support the amount of the subsequent disbursement request.
- Required subsequent disbursement documents must be submitted through each awardee’s myCDFIFund account.
- Requests submitted outside of myCDFIFund will **NOT** be processed.

Subsequent Disbursements: Loans



- FA Awardees that request a portion or the entirety of their subsequent disbursement in the form of a loan must follow the instructions below:
 - 1) Follow instructions for subsequent disbursement requests (refer to Slides 9 & 10)
 - 2) Mail a signed hard copy of the promissory note to the CDFI Fund (refer to address on Slide 7)
 - The CDFI Fund will provide a promissory note for signature based on subsequent disbursement request documentation.
 - If the initial award disbursement was in the form a loan, the CDFI Fund will provide an updated promissory note.
 - 3) The subsequent disbursement will be processed upon both the Awardee and CDFI Fund signing the promissory note

Subsequent Disbursements: Deadlines



- Awardees can submit a one-time subsequent disbursement request beginning **October 1, 2014**
- Per the FY 2014 NOFA, awardees must have remaining matching funds “In-Hand” by **January 15, 2015**
- All subsequent disbursement requests and supporting documents must be submitted to the CDFI Fund by **January 31, 2015**

Topics



- 1) Purpose
- 2) Award Disbursements
 - Award Disbursement Steps
 - Matching Funds Analysis
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- 3) **Assistance Agreement**
 - **Assistance Agreement Overview**
 - **Annual Reporting Requirements**
 - **Performance Goals and Measures**
 - **Requirements for Sponsoring Entities (NACA TA only)**
 - **Eligible & Ineligible Uses of Award Funds**
- 4) Awardee Compliance & Non-Compliance
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Assistance Agreement Overview



- The Assistance Agreement document will be sent via email to the awardee's Authorized Representative shortly after the FY 2014 award announcement
- The Assistance Agreement includes the following:
 - Annual Reporting requirements, Performance Goals & Measures, and associated deadlines
 - Authorized uses of award funds
 - General award terms and conditions

Assistance Agreement Overview



Awardees should:

- 1) Read entire Assistance Agreement
 - Assistance Agreements for each award type and funding year are different.
 - Awardees with awards from multiple funding rounds should read each agreement closely.
- 2) Keep a copy of Assistance Agreement on file
- 3) Set up tickler system with due dates for reports

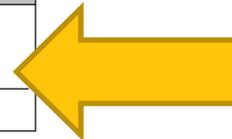


Assistance Agreement Overview

Assistance Agreement Cover page

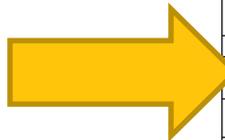
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND ASSISTANCE AGREEMENT

Awardee: [2]		CDFI Fund Award Number: [1] DUNS Number: Employer Identification Number:	
Address:			
Applicable Program: CDFI Program Date of Applicable NOFA:		Date of Notice of Award (Performance Period Start Date):	
By signing this Assistance Agreement and in consideration of the mutual covenants, conditions and agreements hereinafter set forth, the parties hereto, by their respective Authorized Representatives, agree to the following: (i) the award of Assistance hereunder shall be administered pursuant to the General Award Terms and Conditions, attached hereto as Schedule 3 and made a material part hereof; and (ii) the award of Assistance shall be further subject to the provisions, terms, conditions, requirements, certifications and representations set forth in all such additional schedules that are attached hereto and constitute a material part hereof. In witness whereof, the parties hereto do hereby execute and enter into this Assistance Agreement.			
Community Development Financial Institutions Fund		[2]	
By: Authorized Representative: Title: Program Manager		By: Authorized Representative: Title:	
Effective Date:			
Matching Funds: [Applicable or Not Applicable]			
Awardee Information			
Entity Type: [Regulated/Non-regulated/Sponsoring Entity]			
CDFI Certification Status as of Date of Notice of Award: [Certified/Not Certified]			
Financial Assistance			
	Initial Financial Assistance (FA) Award Breakdown*	Initial HFFI Financial Assistance (HFFI-FA) Award Breakdown*	
Grant			
Loan			
Equity			
Secondary Capital			
Deposit			
TOTAL			
Technical Assistance			
Technical Assistance (TA) Award			

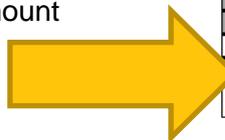


Awardee's Authorized Representative must sign here.

FA (and HFFI-FA) Award Breakdown including total award amount & award form



TA Award Amount



* Award breakdown may be modified at disbursement based upon the eligible form of Matching Funds presented.

Schedule 1A: Annual Report Components

Technical Assistance (2 years)

*NACA Sponsoring Entities (4 years)

- Financial Reports
- Single Audit Narrative (A-133) Statement
- Single Audit Report (if applicable)
- Institution Level Report (ILR)
- Federal Financial Report (SF 425)
- Uses of TA Report
- Explanation of Noncompliance (if applicable)

Financial Assistance (3 years)

- Financial Reports
- Single Audit Narrative (A-133) Statement
- Single Audit Report (if applicable)
- Institution Level Report (ILR)
- Transaction Level Report (TLR)
- Uses of FA Report
- Explanation of Noncompliance (if applicable)

Financial Reports



- Audited financial statements and related auditor's reports
- Submit through Awardee's myCDFIFund account
- Regulated financial institutions and Sponsoring Entities are not required to submit financial reports

A-133 Narrative & Audit Reports



- Single Audit report is required if \$750,000 or more in federal funding is expended in given Fiscal Year
 - Applies to non-Depository Institutions and non-profit Depository Institutions
 - If required, submit through the Federal Audit Clearinghouse (FAC)
- Submit Single Audit Narrative Statement report via myCDFIFund account to indicate whether or not an Single Audit Report is required

ILR and TLR



- All Awardees must submit an ILR
- The TLR is mandatory for Awardees that received FA
- Data provided in ILR & TLR (if required) are used to determine Awardee's compliance with Performance Goals and Measures
- ILR & TLR are submitted via Community Investment Impact System (CIIS) which can be accessed through myCDFIFund
- CIIS Help Desk will review submissions and send questions to awardees. Respond according to required timeframe otherwise reports will be considered "not submitted."
- **START REPORTS EARLY!**

Federal Financial Report



- OMB Standard Form 425
- Must be completed and submitted by any Awardee that received TA
- Submit through myCDFIFund account

Uses of FA & TA Reports



- **Uses of FA Report**

- Must be completed and submitted through myCDFIFund by any Awardee that received FA

- **Uses of TA Report**

- Must be completed and submitted through myCDFIFund by any Awardee that received TA

Other Reports



- **Explanation of Noncompliance**

Submit for the following reasons only:

1) If Awardee fails to meet a Performance Goal and Measure

and/or

2) If Awardee has been cited for a Material Weakness or qualifying opinion in it's Single Audit Report and/or Financial Audit Reports

Schedule 1B: Annual Report Deadlines



- Reference Schedule 1B for the following deadlines:
 - Financial Report
 - Single Audit Report (if applicable)
 - Annual Report Deadlines
- Due dates are determined by the awardee's fiscal year end

Schedule 1C: Performance Goals and Measures



- Performance Goals and Measures (PG&Ms) and their “satisfactory” benchmarks are outlined in Schedule 1C.
- Measured during Performance Periods by information submitted in the ILR.
- Awardees that do not meet a PG&M must complete and submit an Explanation of Noncompliance Report.
- All awardees have a PG&M related to “financial and managerial soundness” which is determined by institution type (Goal 1).

Schedule 1C: Performance Goals and Measures



- **FA Awardees Only:**
 - Goal & Measure 2-1 outlines deployment requirements
- **HFFI-FA Awardees Only:**
 - Goal & Measure 2-2 outlines HFFI-FA deployment requirements
- **TA Awardees Only:**
 - Goal & Measure 3-1 outlines expenditure requirements
 - Goal & Measure 5-1 outlines CDFI creation requirements for uncertified awardees only
- **NACA Sponsoring Entity (TA) Awardees Only:**
 - Goal & Measure 3-2 outlines expenditure requirements
 - Goal & Measures 4-1, 5-1 and 5-2 outline CDFI creation and certification requirements for Sponsoring Entity awardees only

Changes for Sponsoring Entity Awardees (NACA only)



- The following changes introduced for the FY 2014 funding round directly impact NACA TA Sponsoring Entity awardees:
 - Timeline for emerging CDFI creation has been reduced from 2 years to **1 year** (PG&M 4-1)
 - Performance Period has increased from 3 years to **4 years**
 - **50%** of award must be expended within the first **2 years** of the Performance Period (PG&M 3-2)
 - Sponsoring Entities can receive only one amendment
 - If the Sponsoring Entity amends the emerging CDFI creation date (PG&M 4-1), the certification date (PG&M 5-2) is also extended by one year
 - A Sponsoring Entity is eligible to apply for additional awards if it does not have an active award or the certification requirement (PG&M 5-2) has been satisfied for its active award

Changes for Sponsoring Entity Awardees (NACA only)



- The following changes introduced for the FY 2014 funding round impact the Emerging CDFIs that are created by NACA TA Sponsoring Entity awardees:
 - Timeline for certification of emerging CDFI to become certified has increased from 3 years to **4 years** (PG&M 5-2)
 - The emerging CDFI created by the Sponsoring Entity will become a co-awardee. Accordingly, the Sponsoring Entity must transfer unexpended TA funds and associated assets to the emerging CDFI
 - The emerging CDFI will be held to certification requirement (PG&M 5-2) included in the Sponsoring Entity Assistance Agreement
 - The emerging CDFI is eligible to receive up to **3** TA awards as an uncertified CDFI
 - Certification date (PG&M 5-2) will remain the same for all awards
 - If the emerging CDFI does not meet the certification requirement (PG&M 5-2), both the emerging CDFI and the Sponsoring Entity will be found in default

Authorized Uses of Award Funds



Authorized Uses of Financial Assistance Awards

- Financial Products
- Financial Services
- Development Services
- Loan Loss Reserves
- Capital Reserves

Authorized Uses of Technical Assistance Awards

- Personnel (Salary)
- Personnel (Fringe Benefits)
- Professional Services
- Travel
- Training
- Equipment



Ineligible Uses of Award Funds

- For FA awards only 15% of total award can be spent on Administrative costs as described by OMB Circular
- Below are commonly requested ineligible award uses. CDFI & NACA Program award funds **cannot** be used for the following purposes:
 - Individual Development Account (IDA) matching funds
 - Down payment assistance matching funds
 - Memberships and subscriptions
 - Payroll for employees not engaged in award activities



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Awardee Compliance



- Determination of Compliance status is based on the following:
 - Timely submission of complete reports
 - Performance Goals and Measures are “satisfactory”
 - No Material Weaknesses in Financial Report or Single Audit Report
 - Unqualified opinion of audited financial statements
 - Obtain or maintain CDFI Certification (as applicable)
 - Creation of CDFI for non-certified TA applicants



Benefits of “Compliant” Status

- Better position to receive future CDFI Fund awards
- Avoid application point deductions for:
 - Late, incomplete, or inaccurate reports
 - Failure to meet Performance Goals & Measures
- Expedited award disbursements
- Certain amendment requests will not be processed if awardee is Non-Compliant



Awardee Non-Compliance

- Determination of Non-Compliance status is based on the following:
 - Incomplete and/or overdue reports
 - Performance Goals and Measures “not satisfactory”
 - Material weaknesses or qualified opinion identified in Financial Report or Single Audit Report



Awardee Non-Compliance

- **Non-Compliant but Not in Default of award's Assistance Agreement**
 - Determination will be made when Non-Compliance is not extensive or recurring
 - Assistance Agreement may be amended
- **Non-Compliant and In Default of award's Assistance Agreement**
 - Disbursements may be delayed or award could be rescinded
 - May be deemed ineligible to apply for future funding
 - Assistance Agreement may be amended



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Amendment Requests: Assistance Agreement



- Reasons to amend Assistance Agreement:
 - Unable to meet Performance Goals and Measures
 - Need additional time to complete Performance Goals and Measures
 - Change uses of Technical Assistance
 - Change in Fiscal Year End Date
 - Extension of Report Due Dates

Amendment Requests: Use of Funds



- FA Awardees do not need approval from the CDFI Fund to modify their use of FA as indicated in their FY 2014 application. However, the modified use must be **eligible**.
- TA Awardees ***must*** obtain prior written approval from the CDFI Fund for certain modifications to their Authorized Uses of Funds
- TA Awardees amendment request submission must include:
 - Request letter
 - TA Budget Amendment Request Chart

Amendment Requests: Use of Funds



- TA modifications that require prior written approval from the CDFI Fund:
 - 1) **Elimination of a Task**: Completely eliminating an approved use.
 - 2) **Addition of a New Task**: Using cost savings from an approved use for a new use (meaning, one that is not authorized on the Uses of Funds chart), if the cost savings to be used exceeds \$20,000.
 - If the cost savings are \$20,000 or less, the Awardee does not need to obtain approval.
 - 3) **Transfer of Funds Among Categories**: Transferring more than \$20,000 resulting from cost savings within one category for use within another category. The Awardee does not need to obtain approval if the cost savings is used for an approved use of funds within the same category.

Submitting Amendment Requests



- While amendments should be rare, the CDFI Fund will consider adjustments. The amendment request process must be followed and approval is at the discretion of the CDFI Fund.
- Submit written amendment requests to CDFI and NACA Program (Amendments@cdfi.treas.gov) no later than **60** days before affected date
- The e-mail must include:
 - Description of current requirement
 - Explanation of requested change
 - Justification supporting the request
 - Supporting documentation (if necessary)



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CDFI Fund Resources

- CDFI Fund Website: www.cdfifund.gov
- Program-specific supplemental resources found at: www.cdfifund.gov/cdfi & www.cdfifund.gov/native
- Capacity Building Initiative: www.cdfifund.gov/cbi
- CDFI Certification Monthly Conference Calls: www.cdfifund.gov/compliance
- Annual Reporting Conference Calls
 - Awardees will also receive email notification from Certification, Compliance Monitoring, and Evaluation (CCME) unit prior to annual reporting deadline

Contacting the CDFI Fund



- **Programmatic Support:**

- Contact assigned CDFI & NACA Program Portfolio Manager or the Program Helpdesk.

cdfihelp@cdfi.treas.gov

202.653.0421

- **Compliance Support:**

ccme@cdfi.treas.gov

202.653.0423

- **Technical Support for CIIS:**

ciishelp@kearneyco.com

703.373.1516