

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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# Community Development Financial Institutions Fund (CDFI Fund)

FY 2015 NACA Program Overview Webinar

PRESENTED BY  
CDFI & NACA Program Team

PRESENTED ON  
2014

# Your Presenters



## CDFI & NACA Program Presenter

Candace Herring, Acting Associate Program Manager

# Presentation Agenda



**CDFI Fund Overview**

FY2015 NACA Program

What's New or Different?

Submission Instructions

Application Review Selection,  
Process, and Reminders

# CDFI Fund Overview



## Mission

- ❖ The CDFI Fund's mission is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States.

## Vision

- ❖ Economically empower America's underserved and distressed communities.



# CDFI Fund Overview



The CDFI Fund invests in and support CDFIs, CDEs, and other financial institutions through:

- ❖ **Native American CDFI Assistance (NACA) Program**
  - Financial Assistance (FA) Awards
  - Technical Assistance (TA) Grants
  - Healthy Foods Financing Initiative (HFFI-FA)
  - Capacity Building Initiative
- ❖ **CDFI Program**
- ❖ **Bank Enterprise Award (BEA) Program**
- ❖ **New Markets Tax Credit (NMTC) Program**
- ❖ **CDFI Bond Guarantee Program**

# CDFI Fund Overview



## NACA Program Purpose:

- ❖ Promote economic revitalization and community development in Native Communities
- ❖ Help build the capacity of CDFIs to serve eligible Target Markets
- ❖ Leverage CDFI Fund resources



# CDFI Fund Overview



## Types of certified CDFIs:

- ❖ Loan Funds
- ❖ Credit Unions
- ❖ FDIC-Insured Community Development Banks/Bank Holding Companies/Thriffs
- ❖ Community Development Venture Capital Funds

CDFI Depository Institutions - Average asset size is \$140MM

CDFI Non-depository Institutions - Average asset size is \$24MM

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# FY 2015 NACA Program: Types of Awards



- 1) Financial Assistance (FA)
- 2) Technical Assistance (TA)
- 3) Healthy Food Financing Initiative – Financial Assistance (HFFI-FA)



# FY 2015 NACA Program: Financial Assistance

## NACA Program Financial Assistance (FA)

Eligibility	<p>Certified &amp; Certifiable CDFI Applicants must:</p> <ul style="list-style-type: none"> <li>• Demonstrate that at least 50 percent of its past activities were in one or more Native Communities; and</li> <li>• Describe how it will target its lending/investing activities to more or more Native Communities.</li> </ul>
Target Market	<p>Applicants must have an <i>investment area and/or Other Targeted Population (OTP)</i> Target Market serving Native Communities. See FY2015 NACA NOFA Table 8 for detailed information.</p>
Award Type	<p>Applicants are required to provide dollar for dollar Matching Funds; the CDFI Fund will provide awards in like form as matching funds submission.</p>
Award Amount	<p>Applicants may apply for a maximum award amount of \$1,000,000</p>
Use of Funds	<p>(i) Financial Products; (ii) Financial Services; (iii) Development Services; (iv) Loan Loss Reserves; and/or (v) Capital Reserves.            Note: Only Insured Depository Institutions may use a FA award for Financial Services &amp; Capital Reserves</p>
Reporting Period	<p>3 years (as specified in each Awardee's Assistance Agreement)</p>
Limitations on Awards	<p>Applicants may apply for either FA or for TA, but not for both.            NACA Applicants may submit applications under both NACA and CDFI Programs. However, applicants may only receive one award per funding round.</p>



# FY 2015 NACA Program: Technical Assistance

## NACA Program Technical Assistance (TA)

Eligibility	<ul style="list-style-type: none"> <li>• Certified, Certifiable, Emerging CDFIs, and Sponsoring Entities</li> <li>• TA Applicants must demonstrate that the Certified, Certifiable, Emerging CDFI, or the CDFI to be created by the Sponsoring Entity will primarily serve one or more Native Community as its Target Market.</li> </ul>
Award Type	Grants with no Matching Funds requirement.
Award Amount	Up to \$150,000 for capacity-building activities.
Use of Funds	(i) Compensation/Personnel Services; (ii) Compensation/Fringe benefits; (iii) Professional Service Costs; (iv) Travel Costs; (v) Training and Education Costs; (vi) Equipment; and/or (vii) Supplies
Reporting Period	2 years (as specified in each Awardee’s Assistance Agreement) 4 years for Sponsoring Entities
Limitations on Awards	<ul style="list-style-type: none"> <li>- Applicants may apply for either FA or for TA, but not for both.</li> <li>- Sponsoring Entities can only receive one TA award.</li> <li>- Emerging CDFIs are only eligible to receive up to three TA awards.</li> </ul>

# FY 2014 NACA Program: Healthy Food Financing Initiative - Financial Assistance



## Healthy Food Financing Initiative - Financial Assistance (HFFI-FA)

Eligibility	Certified & Certifiable CDFIs
Award Type	Matching funds requirement was waived per FY 2014 appropriation and is currently not required. HFFI-FA Recipients will be given the opportunity to submit matching funds if the requirement is not waived for FY 2015.
Award Amount	Up to \$5 million
Use of Funds	(i) Financial Products; (ii) Financial Services; (iii) Development Services; (iv) Loan Loss Reserves; and/or (v) Capital Reserves.
Reporting Period	3 years (as specified in each Awardee's Assistance Agreement)
Application	1) Check the box for "HFFI-FA" in the Applicant Intake Form AND by select the box for "HFFI-FA" in the Purpose Tab of the Application Excel Workbook; 2) Complete FA Application; and 3) Complete the HFFI-FA Narrative
Limitations on Awards	HFFI-FA Recipients must receive an FA award in order to receive a HFFI-FA award.

# FY 2014 NACA Program: Certification Categories



## ❖ Certification Categories

1. Certified CDFIs
2. Certifiable CDFIs
3. Sponsoring Entities
4. Emerging CDFIs

❖ Please refer to the Table 5 in the NACA Program NOFA for the definitions of the above categories

# FY 2015 NACA Program: Certification Criteria



An entity **must meet all** of the following requirements to be eligible to apply to become a certified CDFI:

1. Be a **Legally Existing Entity**;
2. Have a **Primary Mission** of promoting community development;
3. Be a **Financing Entity**;
4. Primarily serve an eligible **Target Market**;
5. Provide **Development Services** in conjunction with its financing activities;
6. Maintain **Accountability** to its defined Target Market; and
7. Be a **Non-Governmental Entity**, and not be controlled by any governmental entities.

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# What's New about the FY 2015 Funding Round?



- ❖ On December 26, 2013, the Office of Management and Budget (OMB) issued the final Uniform Federal Award Requirements consolidating eight sets of grant-related compliance requirements across the Federal government.
- ❖ Many of the changes highlighted in this section are mandated by the Uniform Federal Award Requirements
- ❖ Objectives for consolidating the requirements include:
  - Eliminating duplicative and conflicting guidance
  - Shifting focus to performance and internal controls over directive compliance for accountability
  - Providing a framework for standard business processes & data definitions
  - Promoting efficient use of IT and shared services
  - Requiring consistent and transparent treatment of costs
  - Strengthening oversight & target audits on risk of waste, fraud, and abuse
  - Increasing accountability for effective resolution of weaknesses

# What's New about Eligible FA Activities?



- 1) FA Award Applicants will be held to the FA activities and amounts per FA activity entered in the Award Request Table (Application Excel Workbook – Purpose Tab)
  - CDFI Fund-approved FA activities and corresponding amounts per FA activity will be included in the Assistance Agreement
  - Per the NOFA, an Applicant that does not fully complete the Award Request Table will be rejected without further consideration
- 2) Only Insured Depository Institutions are eligible to request FA award funds for Financial Services & Capital Reserves
- 3) Each of the allowable FA activity categories will be eligible for indirect costs and an associated indirect cost rate
  - Indirect cost rates will be determined as part of the terms and conditions of the award

# What's New about Matching Funds (for FA Applicants)?



- 1) The designated use of matching funds, as approved by the non-Federal funder, must coincide with eligible FA activities
- 2) Third party in-kind contributions will be accepted as an eligible form of matching funds
  - Eligible in-kind contributions will be matched in the form of a grant
  - The fair market value of goods and services received as in-kind contributions must be documented by the Applicant

# What's New for TA Applicants?



- 1) Supplies have been added as an eligible TA Activity category
  - Tangible personal property with a per unit acquisition of less than \$5,000

# What's New about Award Disbursements (for all Applicants)?



- All Applicants must indicate the amount of its total award request that it reasonably expects to expend within 12 months of notice of award.
- Initial disbursement amounts for FA and HFFI-FA Award Recipients will be based on the amount entered in the Award Request Table (Excel) in combination with determination of eligible matching funds.
  - HFFI-FA Applicants must enter a projected expenditure amount for its FA award request AND its HFFI-FA award request
- Initial disbursement amounts for TA Award Recipients will be based on the amounts entered in the “Year 1” field for each line item in the Award Request Table (Excel).
- Per the NOFA, an Applicant that does not fully complete the Award Request Table will be rejected without further consideration.

# What's Different for NACA Applicants?



- 1) Native CDFIs can receive up to \$1 million under FA.
- 2) Performance goals and measures for Sponsoring Entities & Emerging Native CDFIs have been clarified in the NOFA.
- 3) NACA FA & TA Eligibility Form is now included in the Excel Workbook.

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# Application Checklist: Steps for Completion



- ❖ Please review the Submission Instructions and the Excel Application Guidance (found in Application Excel Workbook) for details regarding steps to complete and submit the application.

<b>Pre-Application</b>	<b>Steps 1-4</b>
<b>Application Steps</b>	<b>Steps 5-8</b>
<b>Post-Application</b>	<b>Steps 9-10</b>

# Steps 1-4: Pre-Application



- ❖ Step 1 – Read the FY 2015 NACA Program NOFA
- ❖ Step 2 – Obtain Employer Identification Number (EIN) and DUNS number
- ❖ Step 3 – Register and/or update your online accounts
  - SAM.gov
  - Grants.gov
  - myCDFIFund account
- ❖ Step 4 – Download and familiarize yourself with Application Materials

# SAM.gov (System for Award Management)



- ❖ Applicants should register as soon as possible. Existing users should ensure that their account is active and up-to-date.
- ❖ The CDFI Fund will not consider Applicants who fail to register or activate their account in SAM and as a result, are unable to submit their Applications before the deadline.
- ❖ The CDFI Fund does not maintain the SAM system, so Applicants must contact SAM directly for assistance.



- ❖ Applicants **MUST** submit their application and all required attachments through Grants.gov.
- ❖ New Grants.gov users should register immediately and existing users should ensure that their account is active and up-to-date.
- ❖ Application submission questions should be directed to Grants.gov
- ❖ Application materials can be found on both Grants.gov and the CDFI Fund website.



# Step 4: Download and familiarize yourself with Application Materials (Pre-Application)



- ❖ SF-424
- ❖ Application Intake Form (PDF)
- ❖ Application Excel Workbook
  - Includes NACA Eligibility Form, Summary of FY 2015 Changes, Application Excel Guidance, Submission Instructions, and Matching Funds Guidance and Forms
- ❖ Narrative Template (MS Word)

# Step 5-7: Application Steps



- ❖ **Step 5 – Fill out the Application for Federal Assistance (SF-424)**
  - Fields highlighted in yellow are **MANADORTY**
  - Applications will be **REJECTED** if the SF-424 or any of the required SF-424 data is missing
- ❖ **Step 6 – Complete Application Intake Form (PDF)**
  - Certain fields pre-populate from SF-424
- ❖ **Step 7 – Complete Excel Workbook and Narrative Template (MS Word)**



# Step 8: Complete all Supplemental Information (Application Steps)

- 1) EIN Documentation
- 2) Key Staff Resumes
- 3) Organizational Chart
- 4) Policies & Procedures
- 5) Financial Statements
  - FA Applicants: Audited Financial Statements w/ Management Letters, Financial Performance Reports, or Uniform Bank Performance Reports as applicable
  - TA Applicants: Audited or Internally Prepared Financial Statements, Financial Performance Reports, or Uniform Bank Performance Reports as applicable
- 6) Matching Funds Documentation (FA only)

# Matching Funds Requirements



- ❖ Matching Funds are required for all FA Applicants
  - Must have 50% of matching funds in-hand or firmly committed at the time of application submission
  - In-hand matching funds window is January 1, 2013 through January 15, 2016.
  - Read Matching Funds Guidance and Retained Earnings Guidance, if applicable AND view FY 2014 CDFI & NACA Programs Matching Funds Webinar for more information on matching funds requirements

# Process for Submitting Matching Funds



- 1) Complete the following forms in the Application Excel Workbook
  - Tab 13 - Matching Funds Breakout Table
  - Tab 14 - Matching Funds Grants and In-Kind Contribution under \$50,000 (if applicable)
  - Tab 16 - Retained Earnings Calculator (if applicable)
- 2) Scan and Upload Matching Funds documentation along with other required supplemental information



# Steps 9-10: Post-Application

- ❖ Step 9 – Upload your application materials in Grants.gov
- ❖ Step 10 – Submit your application package in Grants.gov
  - Should immediately receive an initial email from Grants.gov that confirms submission and provides tracking number for Application package
  - A second email from Grants.gov will indicate if the submitted Application package was either successfully validated or rejected with errors
  - Applicants are strongly encouraged to use the tracking number to closely monitor the status of their Application package by contacting the Grants.gov helpdesk directly rather than waiting on receipt of the second email

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# Application Review Process & Awardee Selection



## 1) Eligibility Review

- Eligibility requirements are detailed in the NOFA (refer to Tables 6, 7, & 8)

## 2) Substantive Reviews by External Community Development Finance Professionals

- Conducted by three (3) external reviewers for FA and HFFI-FA Applications and one (1) external reviewer for TA Applications
- Reviewers independently review and evaluate each Application section

## 3) Follow-up Reviews by CDFI Fund Staff

- Applications that meet the minimum scoring threshold are reviewed by CDFI Fund staff to conduct further analysis based upon: (i) rank order by score, (ii) institutional diversity protocols, and (iii) availability of funds
- Due diligence includes analysis of programmatic and financial risk factors
- Award amounts may be reduced based on analysis conducted



## IMPORTANT DEADLINES

- ❖ Please refer to the NOFA for the NACA Program Application deadline
- ❖ Remember that the last day for applicant questions is **two days** prior to the application deadline



# Contact Information for Applicants

## **Programmatic Support:**

[cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov) or 202.653.0421, option #1

## **Compliance Support:**

[ccme@cdfi.treas.gov](mailto:ccme@cdfi.treas.gov) or 202.653.0423

## **Technical Support:**

[ithelpdesk@cdfi.treas.gov](mailto:ithelpdesk@cdfi.treas.gov) or 202.653.0422

## **Grants.gov:**

[support@grants.gov](mailto:support@grants.gov) or 1-800-518-4726

## **SAM.gov:**

[www.fsd.gov](http://www.fsd.gov) or 1-866-606-8220

# Additional Guidance



Additional information about the FY 2015 CDFI and NACA Programs Application, including webinars covering the following topics, can be found at [www.cdfifund.gov/cdfi](http://www.cdfifund.gov/cdfi):

- FY 2015 CDFI Program Overview
- FY 2015 NACA Program Sponsoring Entities & Emerging Native CDFIs
- FY 2015 CDFI & NACA Programs HFFI-FA
- FY 2015 CDFI & NACA Programs FA and TA Narrative Template
- FY 2015 CDFI & NACA Programs Application Excel Workbook
- FY 2015 CDFI & NACA Programs Matching Funds
- FY 2015 CDFI & NACA Programs Retained Earnings Guidance



**for participating in today's webinar!**

The CDFI Fund is an equal opportunity provider.