



GRANTS MANAGEMENT AND COMPLIANCE:

Managing Your
CDFI Award

CDFI
fund

GRANTS MANAGEMENT AND COMPLIANCE TEAM



GMC PRESENTERS

Grants Management and Compliance Team

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Grants Management Unit

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CDFI Programs Compliance Unit

Lori Stormer – Advisor

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New Market Tax Credits Compliance Unit

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GRANTS MANAGEMENT TOPICS

- 1. Overview**
- 2. CDFI Programs**
- 3. Application Submission**
- 4. Rolling Programs**
- 5. CDFI Certification**
- 6. Application / Award Process**



OVERVIEW

The Grants Management (GM) unit manages pre and post award administrative activities for the CDFI Fund.



CDFI PROGRAMS

- **Financial Assistance (FA)**
- **Bank Enterprise Award (BEA)**
- **Technical Assistance (TA)**
- **Native American Programs**
 - **Native American Technical Assistance (NATA)**
 - **Native American CDFI Development (NACD)**
 - **Native American CDFI Assistance (NACA)**
- **New Market Tax Credits (NMTC)**



APPLICATION SUBMISSION

**Grants Management and
Compliance Manager**

Bureau of Public Debt

200 Third Street, PCB, Room 10

Parkersburg, WV 26101-5312

***Applications received in the
Washington, DC office will be rejected
and returned to the applicant.***



ROLLING PROGRAMS

*Applications accepted on a
rolling basis:*

- **Technical Assistance (TA)**
- **Native American Technical Assistance (NATA)**
- **Native American CDFI Development (NACD)**



CDFI CERTIFICATION

- **May apply for CDFI Certification when applying for funding for TA and NAP programs (excluding NACA);**
- **When applying for CDFI Certification without funding application, mail certification application to:**

**CDFI Fund
Grants Management and Compliance Manager
601 13th Street, NW
Suite 200 South
Washington, DC 20005**



THE APPLICATION / AWARD PROCESS



February 6, 2004

CDFI Institute Workshop

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INTAKE

Applications must be submitted by the submission deadline date at the prescribed address by 5pm EST.



COMPLETENESS

- **GM ensures Applicant Information page is complete;**
- **GM ensures application is signed, dated, and includes EIN and DUNS number;**
- **Obtain a DUNS number:**
 - **Call 1-866-705-5711, or**
 - **Apply on-line at www.dnb.com**



COMPLETENESS

Complete Applications

- **Submitted by deadline date;**
- **Signed by Authorized Representative;**
- **Includes EIN;**
- **Includes DUNS number;**
- **Includes Community Partner signature (if applicable).**

Complete applications are accepted and forwarded for program review.

COMPLETENESS

Fatally Incomplete Applications

- **Not submitted by deadline date;**
- **Not signed by Authorized Representative;**
- **Excludes EIN;**
- **Excludes DUNS number;**
- **Excludes Community Partner signature (when applicable).**

Fatally incomplete applications are rejected and returned to the applicant.

COMPLETENESS

Incomplete Applications

- **Signature page modified;**
- **Signature not that of the Authorized Representative.**

GM contacts applicant to verify incomplete applications.

COMPLETENESS

Other

- **Environmental Form**
- **Assurance and Certifications**
- **Entity Type**



AWARDS ADMINISTRATION REVIEW

- **Provide quality control of reviewer comments;**
- **Check for Debarment and Suspension;**
- **Ensure that scoring and award amount recommendations are consistent;**
- **Review Justification Statements.**



AWARD ANNOUNCEMENTS

- **Inform White House;**
- **Inform Congress;**
- **Notify Awardees;**
- **Announce to Public.**



DECLINATIONS

- **Notify applicants that did not receive an award;**
- **Provide written de-briefings to applicants.**



NOTICE OF AWARD (NOA)

- **Send NOA to Awardees;**
- **Awardee must sign and return within 5 days;**
- **Facsimiles of NOA are not accepted.**



CLOSING PROCESS

- **Legal department prepares documents;**
- **Programs set performance benchmarks;**
- **Documents mailed to Awardee;**
- **Awardee must sign and return document within 10 days.**



DISBURSEMENT

- Disbursement process begins after receipt of signed closing documents;
- Various Fund offices included in disbursement stage;
- Send subsequent disbursement information to the GMC Manager.



COMPLIANCE / REPORTING

This will be discussed in more detail later in the presentation.



COMPLIANCE TOPICS

- 1. Main Awardee Contacts**
- 2. Assistance Agreement**
- 3. Reports**
- 4. Compliance Status**
- 5. Non-Compliance Status**

continued...



COMPLIANCE TOPICS

6. Amendments

7. Compliance and 2004 Eligibility

8. Scoring



MAIN AWARDEE CONTACTS

- *Authorized Representative...*

An officer, or other individual, who has authority to sign for and make representations on behalf of the Applicant.

- *Contact Person...*

The person who manages the award and can answer questions regarding submitted reports.



MAIN AWARDEE CONTACTS

Be sure to update the contact information for your Authorized Representative and Contact Person as the Fund will periodically send email notices to these individuals.

ASSISTANCE AGREEMENT

Main Components

- **Sections related to reporting**
- **Reporting “Schedules”**
- **Appendix 1**



ASSISTANCE AGREEMENT

Tips for Reading the Assistance Agreement

- **Keep a copy of the signed AA and any amendments;**
- **Keep a copy of Appendix 1 posted in your office;**
- **Read narrative describing reporting requirements in addition to worksheets.**

REPORTS

Current Requirements

- **Need to submit:**
 - **Annual Report**
 - **Audited Financial Statements (unless otherwise stated in Assistance Agreement)**
 - **Annual Survey**
 - **Community Investment Impact System (CIIS)**

REPORTS

- **Do not need to submit:**
 - **1st Semi-Annual Reports**
 - **2nd Semi-Annual Reports**

The 2nd Semi-Annual information should now be submitted with the Annual Report.

REPORTS

Components of a Report

- **Annual Reports:**
 - **Narrative (incl. explanation of Non-Compliance)**
 - **Awardee Certifications**
 - **Performance Goals and Measures**

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REPORTS

Components of a Report

...continued

- **Unaudited Financial Statements**
- **Financial Soundness Covenants
(Awards prior to 2002)**
- **Standard Form 269A (TA Awards)**



continued...

REPORTS

Components of a Report

...continued

- **Audited Financial Statements:**
 - **Audit**
 - **A133**
 - **NCUA audits**

REPORTS

Components of a Report

...continued

- **Annual Survey**
 - **Institution level data**
 - **Transaction level data**
 - **Different surveys for CDFI Program Awardees and NMTC allocatees.**



COMPLIANCE

Factors for Determining Compliance

- **Timely submission of a complete report;**
- **Performance Goals and Measures/Financial Soundness Covenants are “Satisfactory” or better;**
- **Maintain or obtain CDFI certification.**



COMPLIANCE

Benefits of a Compliant Status

- **Less time spent on follow-up;**
- **Better position to receive future CDFI Fund funding;**
- **Expedite award disbursements.**



NON-COMPLIANCE

Some Factors for Determining Non-Compliance

- **Incomplete Report;**
- **Performance Goals and Measures are “Below Expectations” or “Unacceptable”;**
- **Certification application not submitted or certification expired.**

NON-COMPLIANCE

Consequences of a Non-Compliant Status

- **Memo presented to Fund Management can delay resolutions and disbursements;**
- **Fund may issue sanctions or remedies.**



NON-COMPLIANCE

Possible Determinations

- **Not Compliant, Not in Default;**
- **Not Compliant, In Default**
 - **Possible sanctions include:**
 - **Disbursement held up;**
 - **Deemed ineligible to apply for future funding;**
 - **Funds returned;**
 - **Agreement amended.**

AMENDMENTS

When do you request an amendment?

- **Unable to meet a performance benchmark;**
- **Need additional time to submit reports;**
- **Change use of Technical Assistance;**
- **Change any other aspect of Assistance Agreement.**



AMENDMENTS

- **An amendment can be submitted at anytime.**
- **To affect reporting requirements for the current FYE, an amendment request must be received by the Fund 90-days before affected date.**
- **Request should include:**
 - **Anticipated non-compliance**
 - **Amendment request**
 - **Information supporting the request**

AMENDMENTS

If amendment is not submitted 90 days before the affected date, you are liable for the existing agreement.

If you are submitting your amendment request for the next reporting period with your current annual report, please be sure it is attached as a separate document.



COMPLIANCE and 2004 ELIGIBILITY

Factors for Determining Eligibility

- **Outstanding reports as of due date of application;**
- **Written notification of default status;**
- **Notice of debarment or ineligibility;**
- **See applicable NOFA/NOAA.**



SCORING

- The Fund will deduct points based on your overall trend in meeting reporting due dates.
- We anticipate point deductions based on active awards or awards that terminate in 2003.
- We anticipate only referencing the last two years of reporting for those awards.



NEW MARKET TAX CREDITS TOPICS

- 1. Overview of NMTC Program**
- 2. Program Highlights**
- 3. Compliance Monitoring**
- 4. Section 6.5 Reports**
- 5. Allocation Tracking System (ATS)**
- 6. Compliance and Program Eligibility**



OVERVIEW

- **Established by Congress in December 2000;**
- **Administered by the CDFI Fund and the Internal Revenue Service;**
- **Permits individual or corporate taxpayers to claim tax credits for making qualified equity investments (QEIs) into Community Development Entities (CDEs);**

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OVERVIEW

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- **The CDE must then invest substantially all of the taxpayer's investment into low-income communities.**



PROGRAM HIGHLIGHTS

- **66 organizations were selected to receive \$2.5 billion in tax credit allocations in the 2002 round.**
- **271 organizations applied for over \$30 billion in tax credit allocations. Total available is \$3.5 billion.**



COMPLIANCE MONITORING

- **Section 3.2, Authorized Uses of NMTC Allocation**
- **Section 3.3, Restrictions on the Use of NMTC Allocation**
- **Section 6.5, Reports**
- **Section 6.8, Maintain Existence as a CDE**



SECTION 6.5 REPORTS

- **QEI Notice**
- **Institution and Transaction-Level Reports**
- **Audited Financial Statements**
- **Community Investment Impact System (CIIS)**



ALLOCATION TRACKING SYSTEM (ATS)

- **24/7 Allocation Management Tool**
- **Transfer of Allocations to
Subsidiary CDEs**
- **QEI Data Storage (both pending
and finalized)**
- **QEI Notification to Fund**
- **QEI Reports**



COMPLIANCE and PROGRAM ELIGIBILITY

Factors for Determining Eligibility

- **Outstanding reports as of due date of application;**
- **Written notification of default status;**
- **Notice of debarment or ineligibility;**
- **See applicable NOAA.**



UPCOMING APPLICATION SUBMISSION DEADLINE DATES

- **BEA** **February 25, 2004**
- **NACA** **March 31, 2004**
- **FA** **Anticipated Date**
April 15, 2004
- **TA/NATA/NACD** **May 31, 2004**



CONTACTING GMC

ALL reports, correspondence or questions should be sent to GMC at:

- E-mail: gmc@cdfi.treas.gov
- Address: 601 13th Street, NW
Ste. 200 South
Washington, DC 20005
- Phone: 202-622-8226
- Fax: 202-622-9625
- Website: www.cdfifund.gov



CONTACTING GMC

ALL correspondence should be addressed to the “GMC Manager,” unless you are otherwise instructed.

Be sure to include your award number when submitting your inquiries.



QUESTIONS

