



CDRLF Grant Round Application Guidelines

Updated July 12, 2018 (pages 2-3 reflect the changes associated with the extended application period)

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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 (LICUs) 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 LICUs 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 2018 Grant Round for the initiatives in Table 1. The NCUA reserves the right to modify the allocation during the Grant Round.

Table 1. 2018 Grant Initiatives		
Initiative	Total Amount Allocated	Maximum Grant Amount per Credit Union
Digital Services and Security	\$750,000	\$10,000
Leadership Development	\$500,000	\$10,000
Underserved Outreach	\$750,000	\$20,000

Specific details about the purpose, types of eligible projects, and application information for each initiative is located in the Grant Round Initiative Categories section of this document. Applications will be accepted from July 1 to September 1, 2018, 11:59 p.m. eastern time (ET). LICUs may only apply for one of the grant initiatives. The NCUA plans to announce the awardees by October 31, 2018. More information about critical dates are detailed in Table 2.¹

Critical Dates

Table 2. Critical Dates for LICUs		
Description	Dates	Method
CDRLF Webinar	June 13, 2018	Available on the NCUA's Webinar Schedule webpage.

¹ The NCUA extended the deadline for credit unions to submit their applications as a result of various issues that disrupted the opening of the 2018 Grant Round. The application was restored and opened on July 12, 2018.



Table 2. Critical Dates for LICUs

Description	Dates	Method
Grant Round application opens	July 1, 2018 9 a.m. ET	Electronically through the NCUA's CyberGrants System .
Recommended date to complete registration for the System of Award Management (SAM)	August 6, 2018 (SAM registration may take up to two weeks)	Electronically through www.sam.gov
Last day to contact the NCUA staff regarding Grant Round	August 29, 2018 5 p.m. ET	By Email at CUREAPPS@ncua.gov .
Grant Round application closes	September 1, 2018 11:59 p.m. ET	Electronically through the NCUA's CyberGrants System .
Grant Awardees announced and notified	October 31, 2018 (anticipated date)	By Email from CUREAPPS@ncua.gov and Official NCUA Press Release



Grant Round Initiative Categories

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 should read through each section to determine which initiative best fits the needs of the credit union and its members. Each credit union may only apply for one of the grant initiative categories. The NCUA will only review the first application submitted by a credit union. Any duplicate applications or applications submitted for multiple initiatives will be deleted.

Digital Services and Security

Purpose

The Digital Services and Security initiative helps credit unions obtain the infrastructure to build a digital relationship with their members and protect credit union information from cybersecurity threats. It is crucial to ensure that digital channels are secure and that processes are in place to ensure the continued safety of digital assets and activities.

The maximum grant amount for this initiative is \$10,000.

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 in Table 3, as deemed appropriate by the NCUA. Projects that are not listed in the table are prohibited.

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.



Table 3. List of Eligible Project Activities for Digital Services and Security

Bill pay	Mobile or online share applications
Biometric or multi-factor authentication systems	Mobile or online membership applications
Cybersecurity training	Mobile payments or digital payments
Data encryption and protection	Online banking features such as interactive and transactional websites, and mobile applications
Digital/electronic signatures	Person-to-person payments (P2P)
E-statements	Remote deposit capture
Malware defenses	Security upgrades for technology systems
Mobile or online loan applications	Systems tests or risk assessments

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 are not ranked during this step. However, 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

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: 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 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 Table 3 for which the credit union plans to use the grant (more than one is acceptable).
- **Request Amount** – Enter the amount your credit union is requesting for the initiative.
- **Anticipated Expense Categories** – Select the expense categories the credit union plans to use the grant for.

Eligible Expenses

Below is a list of eligible expenses for the project activities in Table 3. Each expense example is not applicable to every project activity. For example, obtaining security upgrades for a technology system does not automatically permit marketing expenses.

- Implementation (project setup, service, and startup costs) and/or enhancement fees.
- Consulting and/or strategic planning fees for eligible projects.
- Marketing expenses must be associated with the grant project and are limited to 25% of the total grant.
 - For example, a \$4,000 grant project is limited to a \$1,000 reimbursement for marketing materials.
- Training costs associated with eligible projects.
- Other (credit unions will be asked to describe and provide documentation for this expense category).



Leadership Development

Purpose

The Leadership Development initiative seeks to promote career development in the credit union industry, prepare credit unions for success in the event of a leadership transition, and enhance the operational knowledge of credit union employees.

The maximum grant amount for this initiative is \$10,000.

Eligibility Requirements

Credit unions must have a CAMEL Composite rating of 3 or better in order to be eligible for a Leadership Development grant.

Eligible Project Activities

Funds for this grant initiative can be used for one of the project activities listed in Table 4, as deemed appropriate by the NCUA. Credit unions must select the project they plan to use the grant for during the application process. Projects that are not listed in the table are prohibited.

<u>Table 4. List of Eligible Project Activities for Leadership Development</u>	
Develop a management succession plan.	Create a career track strategy for entry-level or mid-career positions.
Develop a diversity and inclusion plan.	Enroll an employee in advanced training courses to enhance leadership skills.
Obtain diversity and inclusion training for credit union employees.	Enroll an employee in advanced training courses to enhance operational knowledge of credit unions.

Selection Process

The evaluation and selection process for the Leadership Development 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 are not ranked during this step. However, 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 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 Title** – Provide a title for the proposed project (100 character max).
- **Project Activity** – Select a project activity from Table 4 that the credit union plans to use the grant for (only one selection is permitted).
- **Request Amount** – Enter the amount your credit union is requesting for the initiative.
- **Project Description** – Provide a detailed description of the project activity chose by the credit union. For example, explain how the credit union plans to use the grant funds and 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).
- **Anticipated Expense Categories** – Select the expense categories the credit union plans to use the grant for.



Eligible Expenses

Below is a list of eligible expenses for the project activities in Table 4.

- Consulting and/or strategic planning fees for the development of plans and policies (succession planning, development of career track leadership strategy, etc.).
- 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.
- Other (credit unions will be asked to describe the expense category).



Underserved Outreach

Purpose

The Underserved Outreach initiative aims to improve the financial health of individuals in underserved communities. This grant is designed for LICUs interested in developing innovative strategies that will improve the financial well-being of individuals living in underserved areas. This initiative focuses on underserved population segments such as minority groups, youth & millennials, veterans, and immigrants. The outreach strategies that credit unions propose are expected to produce positive growth outcomes for the credit union and increase access to financial services for the underserved group(s).

The maximum grant amount is \$20,000.

Eligibility Requirements

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

- CAMEL Composite rating of 2 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 in Table 5. Credit unions must select a project at the point of application. Projects that are not listed in the table are prohibited.

<u>Table 5. List of Eligible Project Objectives for Underserved Outreach</u>
1. Developing and implementing an innovative outreach program that increases access to financial services for the underserved community.
2. Developing and implementing a new product or program tailored to underserved groups (e.g. first time homeowner program, new American assistance).
3. Developing partnerships with other organizations to assist the needs of low wealth persons and households. (e.g. Providing financial education and specialized training that helps yield healthy financial behaviors and decisions.)
4. Providing small business or workforce training for underserved individuals interested in starting and growing a business.



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. Credit unions are not ranked during this step. However, 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 rating of 2 or better for both **CAMEL Composite and Management** ratings.

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 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 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*.



Table 6 provides a description of each selection criteria and its corresponding narrative guidance. Credit unions must thoroughly support each criteria in the application with responses to the narrative guidance.

<u>Table 6. Selection Criteria</u>	
Criteria Element	Description
Importance to the Underserved	<p>The credit union’s ability to identify, understand, and describe the financial challenges of the underserved population it plans to help.</p> <p><u>Narrative Guidance:</u></p> <ul style="list-style-type: none"> • 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	<p>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.</p> <p>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. <i>(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.)</i></p> <p><u>Narrative Guidance for Business Outreach Strategy:</u></p> <ul style="list-style-type: none"> • 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.



Table 6. Selection Criteria

Criteria Element	Description
	<ul style="list-style-type: none"> • 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. <p><u>Narrative Guidance for Collaboration Strategy:</u></p> <ul style="list-style-type: none"> • 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	<p>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 amount of new small businesses.</p> <p><u>Narrative Guidance:</u></p> <ul style="list-style-type: none"> • 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.



Table 6. Selection Criteria

Criteria Element	Description
Growth and Expansion Objectives	<p>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% and save each member \$X on average annually.</p> <p><u>Narrative Guidance:</u></p> <ul style="list-style-type: none"> • 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.

The reviewers will use the scoring descriptions and framework listed in Table 7 to score the applications.

Table 7. Scoring Description and Framework

Score	Score Range	Score Description
Exceptional	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.



Table 7. Scoring Description and Framework

Score	Score Range	Score Description
Strong	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	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	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	1 – 12	The credit union has provided very limited evidence throughout the application that demonstrates funding criteria are met. Responses lack detail and are difficult to understand. The support materials are insufficient and/or of poor quality.

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 Table 5 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.
- **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.



- **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 (a.k.a. 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 in Table 6 are items that should be addressed within the application. The responses should further expand on the selection criteria descriptions in Table 6.

Eligible Expenses

Below is a list of eligible expenses for the project objectives in Table 5.

- 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% of the total grant. For example, a \$20,000 grant is limited to a \$5,000 reimbursement for marketing materials.
- Credit union staff training as financial counselors.
- Credit union staff training on small business lending.
- 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 requirements³, 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 a.k.a. CURE.

Eligibility and 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 (LID) 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 LID 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.

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**.

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.



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.

- 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.
- The NCUA will only reimburse eligible projects and expenses up to the total grant limit for the initiative. Evidence of payment after the grant approval must be submitted with the reimbursement request.
- Expenses eligible for reimbursement must be paid **after** the grant application is approved and **before** the grant commitment expires, unless told otherwise by the NCUA in writing.
- 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 accepted.

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 Leadership Development initiative.

- The following represent conflicts of interest, and as a result are ineligible uses of grant funds:
 - Salaries or payments to employees for services provided.
 - 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:
 - 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.
 - Transportation, lodging accommodations, mileage, and parking for credit union personnel, contractors, and officials.

- 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

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 practically 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.

Budget Narratives vary widely. The goal 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 our grant relationship and explains the responsibilities and expectations of both parties in the grant relationship. 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 funds being withdrawn from the credit union.

Project Status Update:

The status updates are a required deliverable of your grant and must 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. The NCUA will notify credit unions about the status update and the deadline to complete it by email. 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. Additional requirements will be outlined in the post grant award guidance provided by the NCUA to grant awardees.



Reimbursement Request Information

Credit union awardees are required to provide the following information regarding the grant project when submitting a reimbursement request. The NCUA reserves the right to request additional or less information at the time of reimbursement to ensure compliance with the grant requirements.

- Project Start and End Date.
- Reimbursement Request Amount.
- Proof of Purchase Evidence: (see below for examples).
 - Detailed Invoice.
 - Work Orders.
 - Receipts.
 - Signed Contracts.
- Proof of Payment Evidence: (see below for examples).
 - Copies of Cleared Checks (requires the front and back of cleared check OR a cleared electronic copy with clearance information).
 - Detailed Card Statements (payment amount and vendor name must be listed clearly).
 - ACH Confirmation Receipts.
 - Wire Transfer Confirmation (requires details such as transaction ID, amount, transfer status, and date).
- List of Project Vendors.
- Final Project Report (completed final project report that summarizes the project outcome and certifies that goods/services were delivered to the credit union).
- Final Results of the Project:
 - Grant Impact Summary (requires a description of the grant's impact for the credit union).
 - Grant Project Observations (requires a description of the insights and observations of the credit union's grant experience).
- Additional Reimbursement Information (Optional)
 - Provide any additional information relevant to your reimbursement request such as reports, pictures, and/or individual member success stories.



Helpful Resources

The NCUA's Office of Credit Union Resources and Expansion (CURE) 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 CURE offers includes:

- Grants and low-interest loans for low-income designated credit unions.
- Help with Community Development Financial Institution 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