



INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM

PROGRAM ADMINISTRATOR MANUAL

2015-16

Indiana Housing and Community Development Authority
Community Programs Department
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(317) 232-7777
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SECTION 100: IDA Program History

State History

The Indiana Housing Community and Development Authority's Individual Development Account Program is an asset development program for low-income individuals. Established in 1997, Indiana state legislation (I.C. 4-4-28) created the Individual Development Account (IDA) program (IDA program) as an innovative tool to help low-income Hoosiers build assets, attain self-sufficiency, learn personal financial skills, and invest in improving their quality of life.

Federal History

The American Dream Demonstration (ADD) was the first large-scale test of Individual Development Accounts as a social and economic development tool for low-income communities. Initiated by the Corporation for Enterprise Development (CFED) in September 1997, ADD brought together 13 community-based organizations selected through a competitive process to design, implement and administer IDA initiatives in their communities. It ran for four years (1997-2001) and the research took place over the course of seven years (1997-2003).

Studies of ADD revealed several valuable lessons:

- Poor people can and do save in IDA programs; in fact the very poorest (under 50% of the federal poverty line) save at least two to three times the rates of the less poor (those between 150%-200% of the poverty line).
- Financial education is important, significantly raising savings rates and providing program consistency.
- Account holders save primarily through reducing other expenditures and secondarily through increasing income.
- The majority of account holders are able to amass critical assets through IDAs.
- IDAs have significant psychological and social effects, increasing future orientation, financial skills, and sense of control, initiative-taking, and civic and family participation.

The key elements of effective IDA programs include match rates, parallel account structures, broad-based partnerships, and financial management education and asset-goal specific training programs.

In 1998, the United States Congress passed Community Opportunities, Accountability, and Training and Educational Services Act 1998 (also known as the Assets for Independence Act) which led to the creation of a parallel demonstration program that complements the IDA program that is administered by IHEDA. The Assets for Independence Act was last amended in 2000.

A copy in the Indiana Code is located in Appendix A and the AFI Act is in Appendix B.

Because Indiana's IDA program existed prior to AFI, Indiana's IDA program structure was grandfathered into the national program under the 1997 state code.





Program Summary

Individual Development Accounts are matched savings accounts designed to encourage low-income families to save for the purchase of an asset (e.g., home, education/job training, or small business). Participants in the program are required to successfully complete financial education as well as training related to a specific asset purchase.

The program year is October 1 to September 30. The program covers 72 of Indiana's 92 counties and is administered by over 25 local program administrators. (See Appendix F for a list of local program administrators) Overall program administration is guided by Indiana Code (I.C. 4-4-28) and AFI Legislation (Community Opportunities, Accountability, and Training and Educational Services Act 1998). Program rules are tailored to accommodate federal and state legislation.

The objective of the IDA Program is to assist people with limited means in achieving financial independence and becoming financially self-sufficient by providing them the skills to:

- Develop a budget and set goals;
- Establish regular saving habits; and
- Invest in assets.

The IDA program meets these objectives by providing financial education, case management, homeownership counseling and other asset-goal specific training to its IDA participants.

This manual is designed to assist administering IDA organizations and their staff achieves these goals by providing the necessary tools, framework and guidance needed to run a more effective program. The manual captures best practices from the field and provides a model for 72 effective program management.

Training and Technical Assistance

IHCDA will render training and technical assistance to the IDA Administrators, as needed or requested. IHCDA hosts an annual training prior to the start of each program year. Should you have any questions concerning this program, please contact:

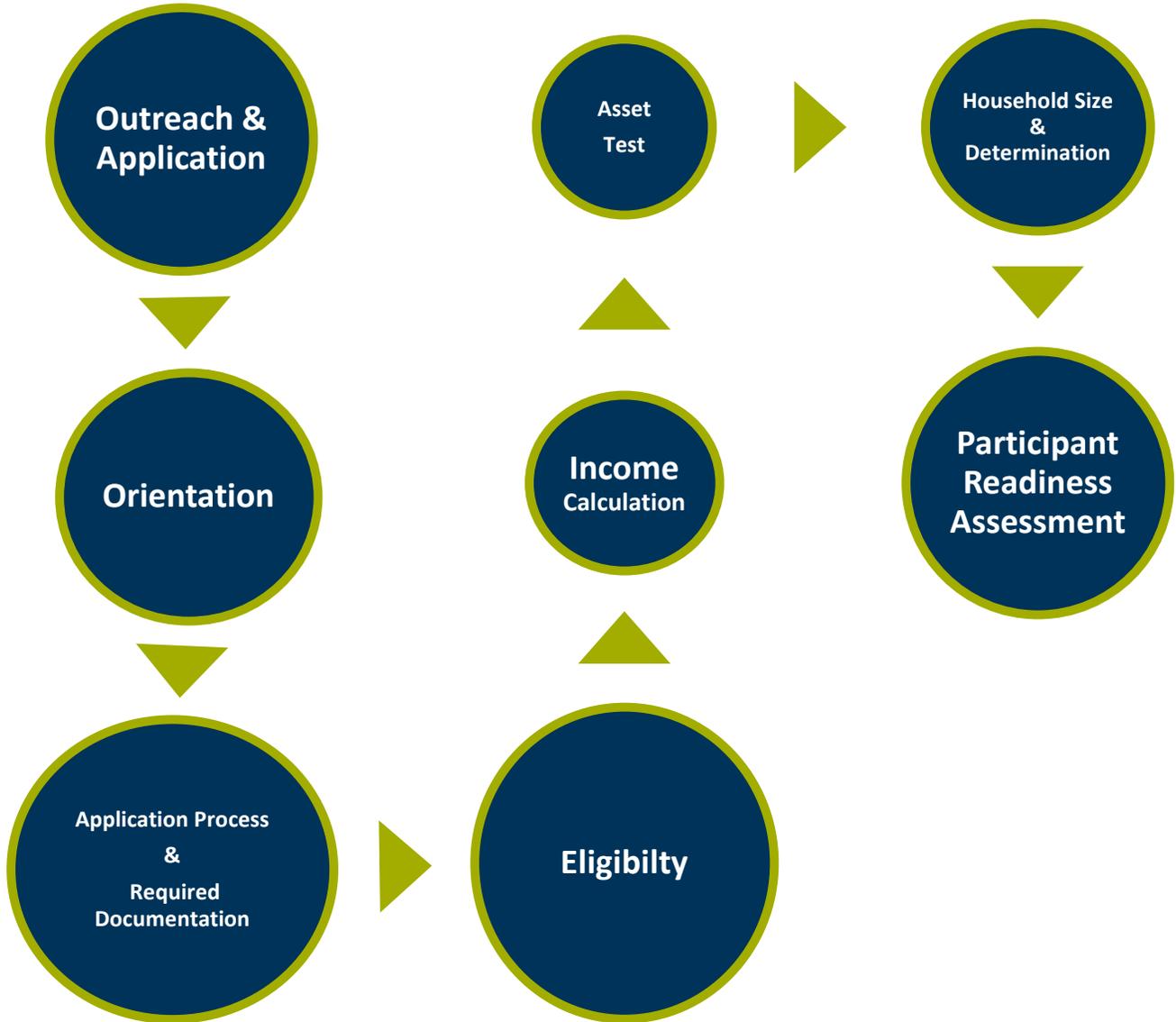
Brian Carman, Community Programs Analyst

bcarman@ihcda.in.gov

(317) 234-5825

Or call us Toll Free at 1-800-872-0371.







SECTION 200: OUTREACH AND APPLICATION

An interested participant should contact a local program administrator for information about the program. A listing of approved program administrators is located on IHCD's website at <http://www.in.gov/ihcda/2403.htm> under "Matched Savings Opportunities".

Step 1: It is recommended that each prospective participant should attend a local orientation session to gain information about the program structure.

Step 2: Each prospective participant should receive a packet including the following documents:

- IDA Application
- Credit Report and Score Information

Step 3: Application Review Process to:

- Determine the eligibility of the prospective participant to participate in the program
- Assess any potential barriers that may hinder the prospective participant's ability to successfully complete the program and purchase the desired asset.

Section 200 provides an in-depth description of the application process.

201 Orientation

Each organization must offer an orientation process to allow prospective participants to learn about the program. During orientation, prospective participants learn in depth information about the IDA program and its requirements, may meet with other prospective participants, and get the opportunity to meet program graduates. Orientation sessions may be offered individually or in group sessions.

Orientations can be used as an opportunity to:

- Allow prospective participants to complete an application
- Conduct an initial eligibility review of prospective participants
- Conduct a portion or all of the financial education training

The orientation provides the prospective participant with an opportunity to do a bit of "self-selection" and pre-determine long term participation in the IDA program.

202 Application Process

After the orientation process has been completed, each prospective participant should go through an initial interview and screening process. The prospective participant will complete an application and begin the eligibility review process. All IDA participants must have a completed application with eligibility documentation on file. A copy of the Participant Application is located in Appendix G.

Participation in the IDA program is generally given on a first-come, first-served basis. However, the seriousness and ability of the program applicant to avidly save should be a factor in the review process.





203 Eligibility Determination

In addition to income guidelines, at the time of application, an eligible prospective participant must meet the following:

- Must have earned income at least equal to the amount of his/her annual savings obligation;
- Be a resident of the state of Indiana; and
 - Meet any additional requirements set forth by the IDA Administrator (i.e. service area limits, specific target population etc.).

204 Income Determination

As defined by Indiana Code 4-4-28-6, a qualifying individual means an individual or household who:

- Is a member of a household with an annual household income that is less than 200% of the federal income poverty guidelines; or
- Receives or is a member of a household that receives TANF assistance. Even if the prospective participant receives TANF, the household must have earned income to be eligible. Receiving TANF is not required for eligibility.

*The chart below displays the maximum household income allowed based on household size.

Household Size	100% Poverty Guidelines	Maximum Household Income Allowed (200% FPG)		
		Annually	Monthly	Bi-Weekly
1	\$11,880	\$23,760	\$1,980.00	\$913.85
2	16,020	\$32,040	\$2,670.00	\$1,232.31
3	20,160	\$40,320	\$3,360.00	\$1,550.77
4	24,300	\$48,600	\$4,050.00	\$1,869.23
5	28,440	\$56,880	\$4,740.00	\$2,187.69
6	32,580	\$65,160	\$5,430.00	\$2,506.15
7	36,730	\$73,460	\$6,121.67	\$2,825.38
8	40,890	\$81,780	\$6,815.00	\$3,145.38
For each additional person, add:	\$4,160.00	\$8,320	\$693.34	\$320.00





205 Income Calculation

While the IDA program must collect and document ALL sources of income, earned income is a major factor in determining eligibility. If the prospective participant does not have earned income, he or she will not be eligible for the IDA program. The income eligibility determination must be based on total projected earned household income, as of the date of application for participation in the IDA Program.

To determine a prospective participant’s projected income, IDA Administrators should follow the following steps:

Step 1 - Collect two (2)of current and consecutive paystubs for each household member

Step 2 - Determine if income is consistent

- If income is inconsistent (hours, pay or overtime varies from week-to-week), then the IDA Administrators must use the "Income Calc. Tax Return" tab on the Income Calculation sheet.

If income is consistent (hours and gross pay remain the same week-to-week), then the IDA Administrators should enter the gross amount for 2 paystubs on the Income Calculation Worksheet. Adminsitrators will not have to enter any additional information for the section as the spreadsheet auto-calculates eligibility based on program guidelines.

Step 3 - Complete and use IHEDA’s Income Calculation Worksheet (see Appendix M) to determine combined total annual income for EACH household member.

Note: If, at time of application, the prospective participant or any of his/her household members have more than one job, you must treat each job separately (as an individual) for purposes of completing the Income Calculation Worksheet (ICW) form.

ihcda 				
Indiana Housing & Community Development Authority				
PARTICIPANT ELIGIBILITY SUMMARY				
Name:				
Date Completed:				
Household Size:				
200% based on HS:		\$0.00		
Household Income:		\$0.00		
NetWorth:		\$0.00		
Income Eligible?		No		
Networth Eligible?		Yes		
Eligible Participant?		No		
		Maximum Household Income Allowed (200% FPG)		
Household Size	100% Poverty Guidelines	Annually	Monthly	Bi-Weekly
1	\$11,880	\$23,760	\$1,980.00	\$913.85
2	\$16,020.00	\$32,040	\$2,670.00	\$1,232.31
3	\$20,160.00	\$40,320	\$3,360.00	\$1,550.77
4	\$24,300.00	\$48,600	\$4,050.00	\$1,869.23
5	\$28,440.00	\$56,880	\$4,740.00	\$2,187.69
6	\$32,580.00	\$65,160	\$5,430.00	\$2,506.15
7	\$36,730.00	\$73,460	\$6,121.67	\$2,825.38
8	\$40,890.00	\$81,780	\$6,815.00	\$3,145.38
For each additional person add:	\$4,160.00	\$8,320	\$693.34	\$320.00

- **Income Calculation Worksheet – Appendix M** Tab Summary: The following is a summary of the uses of each tab on the ICWS. Please not that any areas that blank on the spreadsheet are meant to be filled, otherwise, the cells are auto-calculated based on the fillable information. “Eligibility Summary”- Aside from the name and date of completion, this tab will auto-calculate from all other tabs to determine where a participant is eligible to participate in the IDA program.





Individual Development Account Program Manual

- “Income Calculation”- This tab will be used for individuals with consistent income for the majority of participants applying for the IDA program. If the participant has inconsistent (seasonal, part-time, etc.) income, please use the “Income Tax Return Tab”. If you use the “Income Calculation Tab” **please do not use the Income Tax Return” tab.**
- “Income Tax Return”- This tab is only to be used for inconsistent income and the “Income Calculation” tab should not be filled in if using this tab. This is to be used for part-time and seasonal workers as a more accurate annual income calculation.
- “Net Worth Test”- This tab will be used to calculate the applicant’s net worth. An individual’s net worth must be under \$10,000. Please note that this first home and first car net worth will not be counted in the calculation, but the debt will count in the calculation.

Earned Income

Earned Income, as defined by the Internal Revenue Service (IRS), is “all income from employment, but only if it is includable in gross income.” Earned income generally includes all taxable income which individuals receive from working--income that is not taxable generally does not count as earned income.

Examples of earned income include:

- Taxable wages, salaries and tips
- Net earnings from self-employment to the extent such net earnings constitute compensation for personal services actually rendered
- Gross income received as statutory employee

It is important to note that IDA Administrator should count net earnings from self-employment as a part of the income calculation. This is a change since trainings occurred.

Excluded from consideration as earned income are:

- Alimony and Child Support
- Welfare Payments
- Social Security Disability Income (SSDI)
- Supplemental Security Income (SSI)
- Federal Program Stipends
- Interest and Dividends
- Pension and annuities
- Worker’s, Unemployment and Veteran’s compensation benefits
- Salary deferrals, such as contributions to 401(k) plans, Federal Thrift Savings Plan income.





Type of Income	Description	Required Documents
Consistent	Wages or salary	Two Weeks of Current Consecutive pay, showing gross earnings for the pay period
Inconsistent	Tips, commission and seasonal employment	Two Weeks of Current Consecutive pay stubs showing gross earnings for the pay period; AND Prior year's W-2s or a signed tax return (tax returns only accepted for individuals who did not file a joint return); AND Written confirmation of seasonal employment, if applicable.
Self-Employment	Earnings of a sole proprietor of a trade or business or an independent contractor	Current quarterly profit/loss statement AND prior year's signed tax return
Benefits	Retirement, Social Security, Disability, Veterans, Unemployment, etc.	Current benefit letters

Net Worth Test-Appendix M: Tab 4

Beginning April 6, 2016, Administrators must perform an asset test for all participants to determine further eligibility. Administrators should use the "Net Worth Test" tab on the Income Calculation and Net Worth Test worksheet to document eligibility. Using information obtained from the credit report, enter in the applicable amounts for each section of the Net Worth Test; administrators do not need to enter any additional information as eligibility will be auto-calculated based on the entered information.

Acceptable Eligibility Documents

Prospective participants who wish to have their IDA application accepted for review must submit the following documents as part of their IDA application submission:

- Copy of the most recent six (2) weeks of consecutive pay stubs for all wage earners in the household.
- Copy of the prospective participant's most recent Federal tax return, filed less than 12 months prior to date of application.

Other income documentation that may be considered:

- Salary, wage statements or W-2 forms
- Third-Party Verification of employment income
- A statement signed and dated by the prospective participant or his/her parent/guardian, in the case of minors, that the prospective participant does have earned income such as an allowance.





This method of documentation should be used only when it is not possible to use one of the above methods. A statement should be in the case file explaining why a self-declaration was used.

207 Documentation of Identity and Residency

Applicants must submit a copy of their current driver's license, State issued ID, or Matricula Consular.

The IDA Administrator may retain a copy of the identification and social security card in the participant's eligibility file. If the copy is retained, the IDA Administrator must redact all but the last four digits of the identification and SS numbers. See Section 1100 for information regarding Internal Controls.

208 Household Determination

According to Indiana Code, only one member per household may establish an IDA. Information regarding the definition of what constitutes a household may be retrieved from any IDA Administrator.

The Federal government defines a household as all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals. Household members benefit from shared income and resources and contribute financially to each other's needs and expenses. This designation may include the prospective participant, his or her dependents and other household income contributors such as a spouse, partner, ex-spouse or ex-partner, parents or other relatives.

Determining the number of people in the household does not always equate to the number of people living in the residence. Individuals may live in the same dwelling, but not share financial resources or benefit from each other's income.

Example: Two people living in a home, dividing costs of rent, utilities, and food, who do not pool resources for savings or shared investments or assets would not count each other in determining household size or income. This may include relatives or friends who live together in a residence but who are considered as separate and independent from each other financially.

Conversely, two individuals may live in separate residences but share income, expenses and resources, including cases in which one person is supporting another financially or is a legal dependent. In such cases, the individuals would be considered a household unit.

Example: A college student who is living in a dorm but is claimed as a dependent on his/her parent's tax return should be treated as a member of his/her parents' household.

After determining household members, the total household income can be calculated. **The prospective participant must submit income documentation for him/herself and all household contributors.**

209 Participant Readiness Assessment

Not every eligible prospective participant is an ideal candidate for the IDA program. Certain barriers that may impede a prospective participant's ability to save should be taken into consideration when





screening prospective participant's for acceptance into the IDA program. Below is a list of characteristics which may adversely affect an individual's ability to save. Located in the Appendix P is a Participant Readiness Assessment Tool with some recommended questions that may help IDA Administrators determine if an individual is suitable for acceptance into the IDA program. Take the time to assess the true readiness of the prospective participant and consider the following things.

Does the prospective participant:

- Have established long-term goals?
- Have a clear asset purchase in mind?
- Have stable employment?
- Have the desire and willingness to address credit issues which may hinder his or her ability to purchase an asset(s)?
- Have the ability to make routine deposits, as set forth in the savings plan agreement, totaling \$300/annually after the household's basic living expenses have been met?
- Have the desire and willingness to successfully complete Financial Education and other Asset-Goal Specific Training?
- Participate in direct deposit or have the ability to participate in direct deposit?

Located in the participant application is a Financial Skills Assessment Tool with some suggested questions to help guide the participant's financial knowledge and skills.

Some additional guidelines for assessing an applicant's suitability for the IDA program include:

- Prospective participants who demonstrate high levels of interest and motivation as well as an ability to participate in Financial Education Training and /or Financial Coaching should receive priority.
- Self-selection is an important criterion. If a prospective participant is interested in the IDA program and enthusiastic about the concept of asset building and IDAs, chances are he/she will make a good participant.
- Be careful of making assumptions based on income levels. Income is not a direct indicator of savings ability. Some participants with the lowest incomes have demonstrated a greater aptitude for saving.
- Consider participants who are currently enrolled or have been enrolled in other programs at your agency. There is an increased level of trust, rapport, and understanding of the household's overall needs.
- If the entire family is enthusiastic about the IDA program, it will increase the likelihood of success. The determination of one member of the family to change behavior around savings and spending can be undermined if their spouse/partner or children constantly sabotage the process.

The Readiness Assessment tools should assist the IDA Administrator with determining whether the family has the capacity to take on a full savings program. If now is not the right time for them, direct them to resources at your organization or community partners that can help them move closer to their goals. Ensure that prospective participants understand that they are eligible to come back when household factors have changed to create a more conducive environment for participation.





210 Frequency of Determination

Once a prospective participant has been accepted into Indiana's IDA Program it becomes an IDA participant, an IDA participant may not be disqualified due to changes in income, unless there is evidence that the IDA participant or a household member supplied fraudulent application information.

Re-determination

Re-determination of income is only necessary if 12 months have lapsed between the date of prospective participant's initial application and the date of the prospective participant's acceptance into the IDA program. Otherwise, the initial income determination will determine eligibility of an IDA participant until the savings goal is met or the individual is no longer an active IDA participant.

Age Requirement

While Indiana does not have a minimum age requirement to be eligible to participate in the IDA program, it should be noted that individuals under 18 years of age will require a separate financial literacy education which is more age appropriate.

211 Project Period

Each IDA participant will have a **five year project period** for the IDA program. The IDA participant will have **four years to save and receive match and one additional year to make an asset purchase**. After the fifth year, the IDA participant will graduate or terminate from the IDA program. This project period may be mentioned as a "savings period" or "eligibility period" for IDA participants.

If an IDA participant chooses to fast track savings deposits, that IDA participant will have access to the full five year project period. IDA Administrators are encouraged to graduate fast trackers within a one of the final savings, but it is not required. See Section 403 for more information.

An IDA participant who does not complete the savings plan and terminates from the IDA program is called a Non-Graduate. Non-Graduates may have match funds and time remaining in their project period. If there are match funds and time remaining in the project period, the IDA Administrator may fill that slot with a new IDA participant. However, the IDA participant must have the ability to fast track savings and complete the asset purchase in the remaining time period for that grant. The IDA participant will not be transferred to a new grant.

See Section 600 for closing accounts.

212 Program Waitlist

A prospective participant may be placed on the "Wait List" for one of two reasons:

- the agency does not have funding available to support a participant for the project period





- the participant meets most of the eligibility requirements but needs to remove barriers that will impede successful completion of the program

Putting a client on the Wait List is left to the discretion of the IDA Administrator and does not require prior approval from the state office.

Individuals placed on a waitlist should be encouraged to complete Financial Education Training prior to acceptance into Indiana's IDA Program, as this is a great method of screening the enthusiasm and seriousness of potential IDA participants.

213 Beneficiary Designation

Upon acceptance into the IDA Program, each IDA participant must designate an account beneficiary in the event of his or her death. According to Indiana Code, when the account beneficiary is member of the IDA participant's family, all funds (savings and match) will remain and the IDA will transfer to the designated family member, who is subject to the same rules and regulations of the IDA program as the deceased.

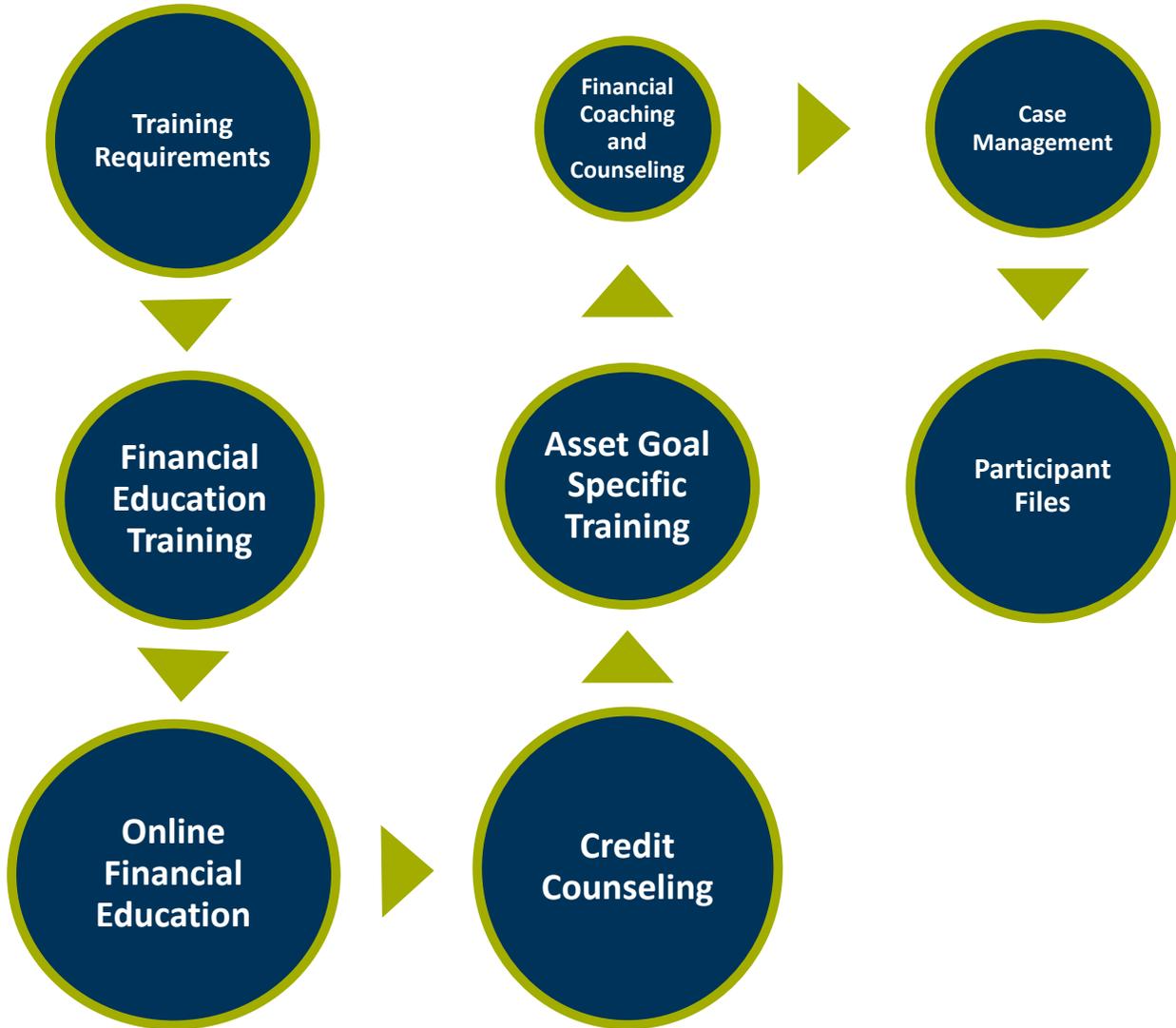
Conversely, when the designee is not a member of the IDA participant's family, all matching funds are forfeited and returned to the state, while any personal savings will be transferred directly to the beneficiary.

According to AFI legislation, all remaining funds must be transferred to the beneficiary within 30 days after the account holder has passed away.

214 Asset Test

According to Section 408(a)(2), a household's net worth must not exceed \$10,000 at the end of the calendar year preceding eligibility determination. Indiana **will not** conduct asset tests in 2014-15.





Section 300: Training Requirements

Each IDA participant must complete Financial Education and Asset Goal Specific Trainings as an IDA program requirement and before the first withdrawal is completed. Located in Appendix O is a sample IDA Training Log for tracking each IDA participant’s training hours.



301 Financial Education Training

The purpose of financial literacy training is to help IDA participants gain better control over their finances. To do so, IDA participants are required to complete somewhere between 8-10 hours of core Financial Education training. Financial Education training must be completed by the IDA Participant within the first year of participation the IDA program. Participants cannot make any withdrawals until this training is completed.

Indiana does not have a mandated financial education curriculum for program administrators to use. However, the financial education curriculum should include the following topics:

- Setting long- and short-term goals
- Developing household budgets
- Developing systems to keep records for budgeting and income tax purposes
- Identifying how, why and when to use credit
- Repairing negative credit histories
- Determining why, where and when to use financial institutions
- Using tax credits to increase financial security (e.g. EITC, CCTC etc.)
- Financial goal setting: money values
- Net worth and income determinations and budgeting
- Consumer credit rights

Based on the curriculum requirements, the state office has recommended the following curricula for program administrators to consider.

- **MoneyWi\$e**, developed by Capital One and Consumer Action. For additional information, go to www.money-wise.org
- **Money Smart**, a curriculum available from the FDIC. Money Smart can be ordered through the FDIC website: <http://www.fdic.gov>
- **Your Money, Your Goals**, a curriculum available from the Consumer Finance Protection Bureau. It can be viewed at <http://www.consumerfinance.gov/your-money-your-goals/>.

IDA Administrators may administer financial education through individualized or group meetings. Or, the agencies may refer clients to training partners or programs within the local community. All completed financial education should be documented in the IDA participant's eligibility file. Completion of the financial education will be assessed during compliance visits by IHCD.

At this time, "Making Your Money Work" is not listed as a recommended financial education curriculum because the materials are outdated. IDA Administrators may continue to use the curriculum, but are strongly encouraged to find a more current financial education curriculum.





302 Online Financial Education

Online Financial Education is an alternative training option for IDA participants who are unable to complete the training options provided by the IDA Administrator. Like the Financial Education discussed in Section 301, the online financial education curriculum should meet the same curriculum requirements.

One example of an online financial education program is *Money Smart*. The training is located at: <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.

If an IDA participant chooses to complete an online course, the IDA participant must provide copies of completion certificates to document the training. Agencies should not recommend online training courses to the IDA participants that do not provide completion certificates.

Training certificates will be evaluated during the compliance visit by the state office.

303 Credit Counseling

IDA Administrators are required to conduct credit counseling with program IDA participants. The counseling provides the IDA participant with an opportunity to assess the current state of his/her credit score and identify strategies to improve the credit score during the project period. Credit counseling must include, but is not limited to: credit history assessment, credit repair assistance and credit stability counseling.

304 Asset-Goal Specific Training

In addition to basic financial education, each IDA participant is required to complete asset-goal specific training, as appropriate for the asset purchase, before the IDA participant makes his or her first withdrawal. Asset-Goal Specific Training should last somewhere between 6-8 hours and should cover the following topics:

Homeownership Counseling

- Learn how much house you can afford;
- Understand what a sub-prime loan is and how to recognize predatory lending practices;
- Learn where to look for down payment and closing cost assistance;
- Learn how to qualify for Next Home, Next Home with Mortgage Credit Certificate, Mortgage Credit Certificate, My Home Conventional, or other USDA loan programs;
- Understand the settlement process;
- Get tips on how to maintain your home; and
- Learn how to avoid foreclosure;

Small Business Training

- Identify potential customers and target markets;
- Develop a business plan;





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- Develop a marketing plan;
- Learn how to track the cash flow of your business;
- Learn about different types of small business loans; and
- Learn what professional resources are available.

Higher Education and Career Counseling

- Meet with a counselor to discuss your education/career goals;
- Write an education/career plan;
- Get help with the college search and application process;
- Learn about local job training programs and services; and
- Learn to identify different grants and scholarships which can help subsidize the cost of your education.

Owner-Occupied Repair

- What is a licensed and insured contractor;
- How to avoid predatory practices with household work;
- Seeking multiple estimates and cost comparison;
- Simple repair projects suitable for the homeowner
- Adding value to a home

IDA Administrators may administer asset goal specific training through individualized or group meetings. Or, the agencies may refer clients to training partners or programs within the local community. All completed asset goal specific training should be documented in the IDA participant's eligibility file. Completion of the asset goal specific training will be assessed during compliance site visits by the state.

305 Financial Coaching/Counseling

In addition to completing Financial Education, IDA Administrators may provide IDA participants with additional financial coaching/counseling.

IDA Administrators may align IDA participants with an individual case manager, or financial coach, to provide individualized support and assistance to enhance the financial education process.

Other agencies may use "Savings Clubs" as a group approach to supporting the financial education. Peer groups, or Savings Clubs, can:

- Offer IDA participants support from other people who understand through firsthand experience the challenges of long-term saving on a low income
- Provide a mechanism for IDA participants to meet regularly, refocus on their IDA goals and reflect on their progress and setbacks





- Help IDA participants develop strong personal ties with other savers and become invested in one another's success
- Be a valuable form for resource sharing and joint problem solving
- Instill in IDA participants a feeling of accountability to one another; and

Additional financial coaching is strongly encouraged as a mechanism for maintaining IDA participant enthusiasm, but is not required.

306 Case Management

Pairing case management with the financial coaching/counseling and training provides the IDA participant with a comprehensive and intensive experience. IDA Administrators may identify case managers to track the overall process of the IDA participant's goals and savings plan agreements as well as assist the IDA participant with reducing barriers to success.

IDA Administrators may consider a few approaches when developing and implementing a case management program.

- LIHEAP's Family Development Program
- Housing Choice Voucher's Family Self Sufficiency Program

If the IDA Administrator does not plan to implement a full service case management program, then IDA Administrator should consider implementing the following techniques to maintain active IDA participant engagement.

- **Plan regular contact with your IDA participants.** Regular contact between your IDA program and IDA participants is a way to combat isolation and discouragement. Regular newsletters, timely monthly account statements, and occasional "check in" phone calls will help IDA participants feel supported and keep IDA goals in the forefront of their minds.
- **Be alert and accessible.** Many IDA participants are inherently reluctant to seek out assistance or support, even when they feel overwhelmed or discouraged. Program staff should emphasize to IDA participants that they are available to offer assistance and back up this promise with visible policies and practices, such as setting standard "office hours".
- **Foster successful peer support groups.** Fellow IDA participants can be one of the most effective sources of support and "preventive medicine" for IDA participants; IDA account holders can support one another especially well because all IDA participants appreciate the difficulties of living and saving on a low-income.

307 Maintaining Participant Files

Good program management is not limited to case management; it also extends to an organization's record keeping practices. IDA Administrators are responsible for keeping comprehensive and up-to-date IDA





participant files. Below are some examples of what a typical IDA participant file should include (* items are required). Please see the sample file in the appendix for a complete list of mandatory items

- IDA Participant Application*
- Savings Plan Agreement*
- Release of Information*
- Training Logs*
- IDA Training Certificate of Completion
- SS# documentation for participant *
- Income verification documentation*
- Copy of Personal Budget
- Contact Log and Case Notes*
- Withdrawal(s) Request Forms with supporting documentation*
- Credit Report with Score*
- Bank statements

This checklist is also located in Appendix H.

308 Confidentiality

All applications, bank statements, documents and other files related to an IDA participant must be kept confidential by IHCD and IDA Administrators. For purposes of reporting, certain information may be shared with Family and Social Services Administration (FSSA) or the U.S. Department of Health and Human Services (HHS). However, at no time will any information unnecessarily be shared with anyone not affiliated with Indiana's IDA Program. A Release of Information form is located in Appendix Q.

309 Non-Discrimination

Non-Discrimination Under Programs Receiving Federal Financial Assistance

- No person shall, on the grounds of race, gender, age, creed, ethnic origin, disability, or sexual orientation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in Indiana's IDA Program.

Non-Discrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance

- No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefit of, or be subjected to discrimination in Indiana's IDA program

Non-Discrimination on the Basis of Age in Programs and Activities Receiving Federal Financial Assistance

- No person shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving funds provided through the Indiana's IDA program.

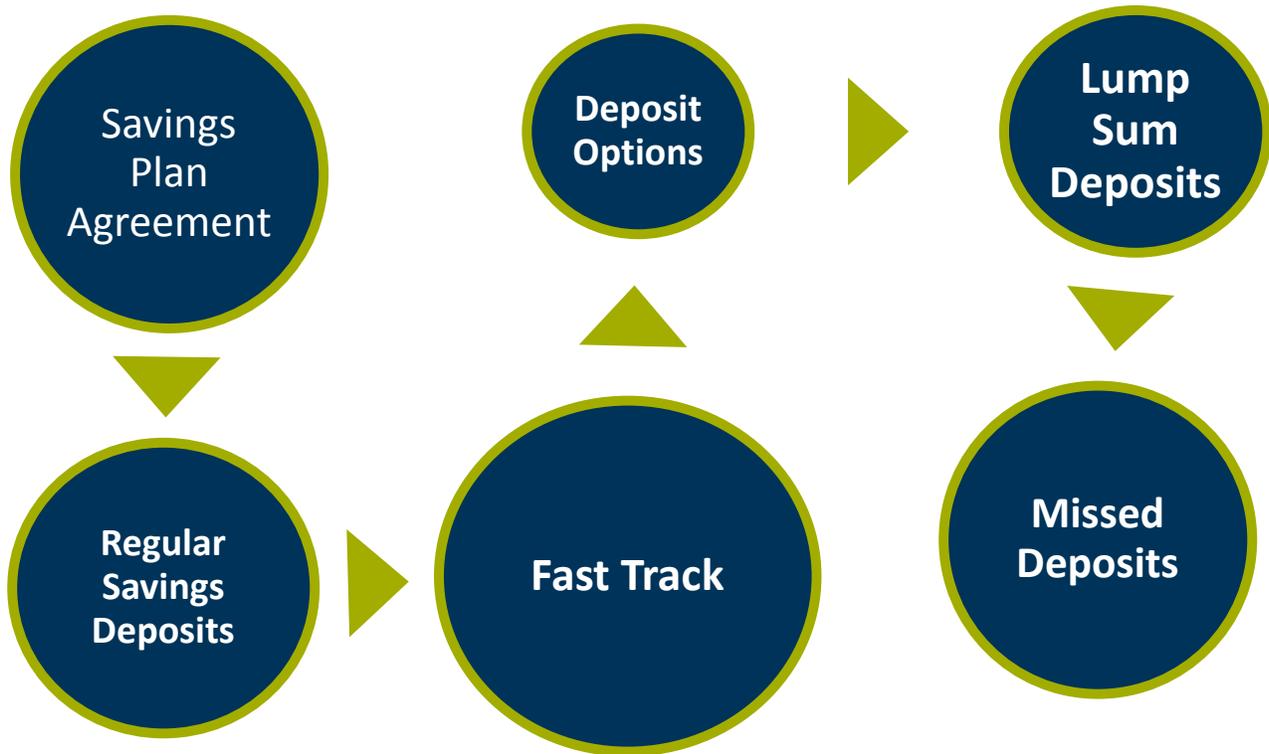




Non-Discrimination on the Basis of Sex in Education Programs and Activities Benefiting from Federal Financial Assistance

No person shall be subject to discrimination on the basis of sex in Indiana's IDA program or any activity receiving Federal financial assistance, whether or not such program or activity is offered or sponsored by an educational institution.





Section 400: Savings Requirements

Once accepted into the IDA program, IDA participants are expected to meet the following conditions to remain enrolled in the IDA program. The savings plan is the core component of the IDA program and the desired outcome for participation in the IDA program. Each IDA participant must sign and agree to the terms and conditions set forth in the Savings Plan Agreement.

401 Savings Plan Agreement

The Savings Plan Agreement reflects a commitment between the IDA Administrator and the IDA Participant. Each IDA participant will complete a Savings Plan Agreement that will outline the IDA participants and IDA Administrators' roles and responsibilities. The Savings Plan Agreement is located in Appendix E.



The Savings Plan Agreement (“SPA”) outlines the following program requirements:

- Eligibility and Savings Period
- How a bank account is established
- Minimum savings deposit requirements
- Required trainings and workshops
- Uses of funds
- Savings and Purchase timeline
- Budget Workplan
- Withdrawal process
- Terms and Conditions
- Program Evaluation Consent
- Beneficiary Designation
- Roles and Responsibilities of the IDA Program Administrator

The SPA must be signed before a participant opens the IDA and is a mandatory part of the IDA program. The IDA participant should receive a copy of his/her SPA upon completion. A copy of the signed form must be included in the IDA participant’s eligibility file. Signed forms will be reviewed during compliance visits by the state.

402 Regular Savings Deposits

Each IDA participant will save a minimum of \$1,200 over the four year savings period while in the IDA program. That savings goal is divided into annual savings goals of \$300 per year. Each IDA participant is required to make regularly scheduled deposits into the personal savings account. The program administrators will post the deposits into the IHCD Aonline deposit on a quarterly basis.

Depending upon date of account opening, the SPA offers four options of saving:

Four Year Savings Plan

1. Regular Weekly Deposits (approximately \$6/weekly)
2. Regular Bi-Weekly Deposits (approximately \$11.50/bi-weekly)
3. Regular Semi-Monthly Deposits (approximately \$12.50/per deposit)
4. Regular Monthly Deposits (approximately \$25/month)

Depending on the time of year the account is opened, IDA participants may have the option of opening their account with a one-time, lump-sum deposit, but they are still required to make regular deposits thereafter.





IDA Administrators should thoroughly review these options with their respective IDA participants during the orientation process. **IDA Participants should be wise in choosing which savings option will be most conducive to their life situation.**

If the IDA participant is unable to meet his/her regular savings obligation, he/she is expected to at least make a minimum savings deposit as outlined in the section below titled, *Minimum/Maximum Deposits*.

403 Fast Track

Though not specifically outlined in the SPA, all IDA participants have the option to Fast Track. The fast track savings plan allows the IDA participants to complete the total savings goals, be matched, and make asset purchases in less than four years.

The most common option is to complete the savings within two years. However, this option is not required to be considered Fast Track. Any savings beyond \$300 per year will allow the IDA participant to fast track the savings option and complete the savings process sooner than four years.

According to Indiana Code, a participant can save up to \$600 in a program year and receive match funds. Any savings beyond \$600 will be matched in the following program year.

Any IDA participant who chooses to Fast Track will be eligible for the full four year savings period plus one additional year to make the asset purchases. For IDA participants who save within two years, the IDA participant will have up to three years to make the final purchase. IDA Administrators are strongly encouraged to assist IDA participants with graduating within one year of the final savings deposit. However, graduation within one year is not required since some asset purchases may take the five year period to complete.

403.1 Filling an Empty Slot

IDA Administrators may choose to fill an IDA participant slot when that IDA participant has terminated his or her participation. To fill the slot, the original IDA participant must not have used all of the allocated match funds for the project period. The terminated IDA participant is considered a Non-Graduate (See Section 600 for more information) and must have match funds available. If a new IDA participant fills a slot from a Non-graduate, the IDA participant's savings must be fast tracked if there are less than four years available for the IDA participant to save and graduate. The IDA participant must complete make his





or her asset purchase by the end of the original project period. The IDA Administrator must ensure that the new IDA participant has the entire match allocation (\$3,600) available.

404 Deposit Options

IDA participants have three options for making deposits to their IDA:

Option 1: IDA participants may arrange to have regular savings deposits made via direct deposit from their paycheck into their IDA. This is a great option, because it saves time, eliminates trips to the bank, and ensures that deposits are made automatically and on a regular basis.

Option 2: If an IDA participant's employer does not offer direct deposit, they can instead set up automatic payments from another savings or checking account to their IDA. Like direct deposit, this saves time, eliminates trips to the bank and ensures regular, timely deposits. **Caution is advised to make sure funds are always available on a monthly basis for the automatic transfer.**

Option 3: If an IDA participant is unable to set up regular electronic deposits, he or she must visit the partnering financial institution in order to make deposits. Since IDA accounts are not set up to have access to ATMs, the IDA participant will need to make his/her regular savings deposits during regular business banking hours.

For information on how to set up regular electronic deposits, please contact your local partnering financial institution.

405 Minimum Deposits

To enroll into the IDA Program, IDA participants are required to open their IDA with an initial deposit of \$25. IDA Participants are eligible to receive matching funds once their initial deposit is made.

Minimum/Maximum Deposits

While the IDA Program requires its IDA participants to save on a regular basis, we also understand that occasionally circumstances arise that may otherwise that may preclude an IDA participant from meeting their regular savings obligation. In those circumstances, when approved by the IDA Administrator, an IDA participant may instead choose to make a minimum deposit of not less than 50% of his or her regular savings obligation (savings obligation x .5).

According to state regulations, IDA participants may not be taxed on any interest earned in their IDA, nor can money in their IDA account be considered an "asset" when determining eligibility for TANF benefits.

406 Lump Sum Deposits

Lump sum deposits are allowable and provide the participant with an opportunity to get ahead or catch up on a savings goal. However, lump sum deposits cannot and will not replace the IDA participant's requirement to make regularly scheduled deposits into its IDA.





407 Missed Deposits

After three missed deposits, at the discretion of the IDA Administrator, a participant may forfeit his/her right to receive matching funds on his/her IDA and/or his/her right to continue enrollment in the IDA Program.







Section 500: Account Structure

501 Account Set-Up

Each IDA participant should establish two interest bearing, fee-free, savings accounts. One account holds the IDA participants' personal savings, while the other holds the IDA participants' match funds. IDA participant savings accounts should be "custodial accounts" that are jointly owned by the IDA participant and the IDA Administrator. As a custodial account, the IDA participant will have no direct access to the personal savings or matching funds. All transactions must be coordinated through the IDA administrator.

If a bank provides direct access to an IDA participant without prior approval, then that partnering financial institution must be reported to the IHEDA immediately.

502 Banking Features

IDA participants shall make regular deposits at designated locations as specified by the partnering financial institution and IDA Administrator. **IDA participants may not make withdrawals without the written consent of the administering IDA Administrator.**

Each IDA must be fully restricted from ATM, telephone and online banking service features. This control has been put in place to ensure the safety of IDA participant funds (both individual and match) and to secure the integrity of the IDA Program.

IDA participants will receive monthly bank statements that detail deposits into the personal savings and match accounts. These deposits must be updated in IHEDAOnline at least quarterly for compliance with IHEDA.

503 Match Process

The eligibility requirements to receive matching funds are:

- Submission of a completed IDA Application Packet and the required eligibility documentation;
- Used earned income as the source of funds on deposit;
- Started Financial Education training;
- In compliance with his/her Savings Plan Agreement; and,
- Deposited at least \$25.

Participant deposits will be matched at a rate of 3:1. Each year, the IDA participant will save up to \$300 and receive matching funds up to \$900 depending on the savings total.





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Effective November 1, 2014, IDA Administrators will match funds quarterly based on the funds deposited by the IDA participants. Therefore, IDA Administrators should not wait until an IDA participant has saved \$300 to make the first match deposit. If an IDA participant has deposited \$75 in a quarter, then the IDA participant will be matched \$225 in that quarter.

IDA participants have the option to “fast track” savings deposits and receive additional matching funds. If the IDA participant fast tracks the savings deposits, then the IDA participant will save up to \$600 per IDA program year and receive up to \$1,800 in match funds per IDA program year, with a maximum match of \$3,600.

504 Submitting Match Claims

IDA Administrators are required to post deposits and submit match claims in IHCDOnline at least quarterly. Deposits and match claims should be posted according to the following schedule.

<u>Quarter</u>	<u>Claim Due Date</u>
October 1 to December 31	January 31
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31

IHCD will process claims for matching funds on a monthly basis, as they are received from IDA Administrators. IDA Administrators are permitted to submit match claims from all IDA participants who have deposited at least \$25 and met all of the match requirements set forth in Section 503. IDA Administrators are strongly encouraged, but not required, to submit claims monthly. Adherence to the matching schedule will be monitored in compliance visits administered by.

After the last quarter of each program year (July 1 to September 30) ends, IDA Administrators should continue to submit match claims for that program year only. Any match claim that is submitted between October 1 and October 31, will post to the previous program year that ended on September 30, not the new program year that begins on October 1. Match funds for the new program year cannot be distributed to IDA participants until after October 31.

505 Withdrawal Process

IDA participants are permitted to make asset purchases once they have completed the mandatory Financial Education and Asset-Goal Specific Training and are in compliance with their Savings Plan Agreement.

Qualified Withdrawal

IDA participants may use their IDA savings and match funds to make the following asset purchases:

- To purchase a primary residence for a qualified first time homebuyer.
- Start or expand a small business.





- Further their education at an institution of higher education, vocational school or an accredited job training program.

To qualify for a withdrawal, the IDA participant must be in the program at least six (6) months and completed the Financial Education and Asset Goal training.

506 Eligible Asset Purchases

IDA Participants may use their IDA personal savings and match funds for the following qualified asset purchases, as defined in IC 4-4-28-5 and AFI legislation:

To purchase a primary residence. Funds may be used to purchase a primary residence for the IDA participant or his/her dependent. Qualified purchases include a single site home, pre-fabricated house or condominium. According to AFI legislation, the participant must be a “qualified first time homebuyer”. Therefore, funds may not be used to purchase a second home or to “flip” a house. If participants have purchased their home using IDA funds and have additional funds remaining, they may use this as a one-time principal reduction.

To start or expand a small business. Qualified expenses include costs associated with stocking inventory, working capital, or business equipment, per AFI legislation. All business expenses must be included in an approved (qualified) business plan. Additionally, funds may be used for purposes of marketing and other start-up costs, provided all expenditures follow an approved marketing and communications strategy within a business plan.

Education and Job Training. IDA funds may pay for costs associated with attending an accredited institution of higher education, vocational school, or licensing training program that may lead to employment for the IDA participant or his/her dependent. Qualified expenses may include tuition, lab fees, books or the purchase of a computer for educational use. Per AFI legislation, educational expenses must be distributed to an accredited institution.

Owner Occupied Repair

IDA funds can be used for essential owner occupied repairs to the home. The repair should be able to pass the four-prong test below by answering yes to all questions.

1. **Is it necessary?**
2. **Is it permanent?**
3. **Does it add value to the home?**
4. **Is it for non-cosmetic Reasons?**

No payments will be distributed to the participant. All payments must be distributed to the appropriate vendor.

Asset Purchase Quick Reference





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IDA Withdrawals	Home Purchase	Education & Job Training	Small Business	Owner Occupied Repair
Examples of Qualified Expenses	Settlement fees, financing or closing costs, title insurance, attorney fees, inspection fees, acquisition costs, appraisal fees, mortgage insurance (as part of closing costs) and other customary “pre-paid” expenses.	Tuition, lab fees, books, supplies or equipment (including purchase of a computer when directly related to a student’s course work), room and board, registration fees and other costs associated with attendance.	Start-up inventory, licensing fees, supplies or equipment, marketing materials and other expenses as included in an approved business plan.	Energy-efficient windows, roofing, water heater replacement, insulation installation, heating and cooling, and other essential improvements.
Examples of Unqualified Expenses	Homes purchased on Land Contract, mobile home purchase, Rent-to Own or Lease-to-Purchase properties and general land acquisition.	Pre-existing school debt, rent, extra-curricular activities, travel and reimbursement for any qualified or non-qualified expenses.	Vehicle, Payroll, general funds/working capital and other expenses not included as part of an approved business plan.	Purchase of pool, cosmetic rehabilitation and other non-essential improvements
Payable To	The settlement IDA Administrator or title company.	Accredited institution of higher learning or job training program.	Vendor	Vendor
Required Documentation for Withdrawal	Signed Settlement sheet, Good Faith Estimate, home appraisal estimate, proof of completion of homeownership counseling and evidence of any additional down payment assistance	Documentation of enrollment, Acceptance letter, copy of Bursar Bill, invoices and evidence of submission of Education/Career Plan.	Copy of approved business plan and copies of any relevant invoices or estimates	Estimates, invoices, pre and post photos when available, copy of rehabilitation plan





Once an IDA participant is ready to make a qualified asset purchase, he/she should follow the procedure listed below:

1. Notify the IDA Administrator of the IDA participant's intent to purchase. IDA participants should request qualified withdrawals at least two weeks before the anticipated purchase date. It is a best practice to request a withdrawal for a purchase 30 – 60 days in advance.
2. Acquire necessary documentation as deemed appropriate for the asset purchase.
3. Confirm that the IDA participant has completed all trainings and been in the program at least six (6) months.
4. Set up appointment to meet with the IDA Administrator and complete the corresponding IDA Asset Purchase Withdrawal form. IDA participants should be certain to bring copies of any bills or invoices, as funds disbursed for a qualified asset purchase must be in the form of a check written to a third-party vendor.
5. **Note:** *If the cost of the asset purchase is more than the combined total of savings and match, the IDA participant must show proof that he/she can cover the difference in costs.*
6. Make arrangements with the IDA Administrator for a check disbursement. In most cases, the check will be mailed directly to the vendor unless other arrangements have been previously made.
7. Return copies of receipts resulting from the asset purchase – additional requests for withdrawals may be hindered until the IDA Administrator is supplied with receipts from previous IDA asset purchases.

The Withdrawal checklist is located in Appendix X.

508 Educational Purchases

According to the Indiana Code, the IDA funds must pay for costs at an accredited institution of higher education or vocational school (which includes institutions that provide education in an online format) for the IDA participant or a dependent of the IDA participant. The funds may also be used to pay the costs associated with an accredited or licensed training program that may lead to employment for the IDA participant or a dependent of the IDA participant. Costs and expenses include tuition and fees, books, supplies, and equipment.





technology, such as computers or laptops, as an allowable purchase. Other allowable expenses include laboratory costs.

To assist IDA participants with educational purchases, the IDA Administrator may distribute funds to the school's bursar financial aid office, or third-party vendor. The funds must be used to support the educational purchase. The IDA Administrator must require the IDA participant to return a receipt of the purchase within two weeks (14 days) from the distribution of funds.

509 Business Capitalization Expenses

According to AFI legislation, a qualified business capitalization expense is an expenditure for capital, plant, equipment, working capital, and/or inventory that was included in an approved business plan following components:

- Is approved by a financial institution, microenterprise development organization, or nonprofit loan fund that demonstrates fiduciary integrity
- Includes a description of services and goods to be sold, a marketing plan, and projected financial statements
- May require the participant to get assistance from an experienced entrepreneurial adviser

509.1 Vehicle Purchases

It is allowable for an IDA participant to use the personal savings and match funds to purchase a vehicle if the vehicle purchase is a business expense. The vehicle purchase must be included in the approved business plan, listed as an inventory item for the business, and have a direct business use.

Such allowable purchases include, but not limited to:

- Trucks for a mobile business like food truck or mobile cleaning business
- To establish part or full ownership in a car dealership
- Vehicles to fill a car dealership inventory

IDA participants may not buy a vehicle for personal use, such as obtaining transportation for work, family, or personal affairs. The program administrator must assess that the vehicle is directly tied to the business only.

509.2 Rental Property

It is allowable for an IDA participant to use the personal savings and match funds to purchase rental property if the property is a business expense. The rental property must be included in the approved business plan, listed as an inventory item for the business, and have a direct business use.

511 Emergency Withdrawals





While strongly discouraged, emergency withdrawals may be approved at the discretion of the IDA Administrator at the agency- as stated in AFI Legislation in Section 404 (3)(A-C).

Examples of when an emergency withdrawal may be approved are:

- To prevent eviction.
- To prevent foreclosure on an IDA participant's primary residence.
- To pay for medical care expenses or obtain medical care for the IDA participant, spouse, or dependent of the IDA Participant.
- To pay critical living expenses such as food supplies or heating expenses for the IDA participant following loss of employment.

Approved emergency withdrawals may only be made from an IDA participant's personal savings. Match funds may **NOT** be used for unqualified expenses, including emergency withdrawals. The participant must understand that all emergency withdrawals must be repaid within 12 months of the withdrawal date. Moreover, once an emergency withdrawal has been approved, **match funds for qualified withdrawals are prohibited until such time that the emergency withdrawal has been repaid.**

Approval and amount of emergency withdrawal may be restricted at the discretion of the IDA Administrator due to the IDA participant's:

- Length of time participating in the IDA Program;
- Amount of funds deposited in the IDA participant's personal savings;
- The IDA participant's non-compliance with Savings Plan Agreement; and
- The IDA participant's frequency of emergency withdrawal request(s).

In the event of a **denied request for emergency withdrawal** by the IDA administrator, an IDA participant may choose to:

- Do not make the emergency withdrawal and continue participation in the IDA Program.
- Withdraw from the IDA program and receive a full refund of all personal savings deposits and interest **and forfeit the right of future participation in the IDA program.**

To request an emergency withdrawal, an IDA participant should follow the procedure below:

1. Complete and submit a Withdrawal Form to the IDA Administrator. (located in Appendix R)
2. Schedule a meeting with the IDA Administrator to discuss situation and review possible alternative solutions—most problems can be solved without having to withdraw funds out of an IDA participant's personal savings.
3. If approved, develop a revised savings plan that will allow withdrawn amounts to be re-deposited into the IDA participants account within 90 days from the withdrawal. When savings that were matched do not return to the IDA participant's IDA, any corresponding matching funds must be returned to the State.
4. Coordinate with program staff to arrange for the withdrawal of funds from the IDA participant's IDA. Remember, any withdrawal from a custodial (joint) account requires a dual signature from the IDA participant and the IDA Administrator.





The IDA participant may be terminated if the participant fails to repay the emergency withdrawal within 12 months of the withdrawal date. The IDA participant will become a Non-Graduate and follow the closeout procedures in Section 601 of the Program Manual.

Important Note: Any **unauthorized withdrawal** from an IDA participant's matched savings account will result in immediate termination from Indiana's IDA Program, a lawsuit, or prosecution, and prohibition from future participation in the IDA program.

IDA participants should be encouraged to set up an additional personal savings account as well as a savings plan to fund that account. IDA participants should be encouraged to make withdrawals from this account to cover emergency expenses as they arise. This measure will assist participants in planning for unanticipated expenses rather than making emergency withdrawals from an IDA.

512 Account Garnishment

Federal law prohibits creditors from seizing federal assistance payments for programs such as Social Security, Supplemental Income (SSI) and veterans benefits. However, these laws do not apply to IDA accounts. That said, while banks may garnish funds held in an individual IDA account, banks may not garnish match funds, funded through the state.

Effective May 2011, new Federal Laws require that banks comply with existing anti-garnishment laws. Under these regulations banks are now required to determine whether or not public assistance funds have been deposited into a beneficiary's account. This means, while match funds may be safe, personal savings may not, thus match funds may be recaptured by IHCD.

513 Reassigning a Participant Between AFI Grants

According AFI Information Memorandum (IM) 2004-03, grantee organizations have the option to reassign participants from an older AFI grant to a newer grant or a newer grant to an older one, as an opportunity to maximize program results. An IDA Administrator may request that an IDA participant be reassigned to a newer AFI grant for one of the following reasons:

- An IDA participant needs additional time to meet the saving goals due to temporary disruption in employment or medical emergency.
- An IDA participant needs more time to mitigate issues that impede asset purchases, like credit repair or paying down debt balances.
- An IDA participant needs more time to develop a strong business plan and create a sustainable business.

Note that this is not an exhaustive list of possible reasons. IDA Administrators should take reassignment on a case by case basis. Program guidance IDA 015-03 regarding Reassigning a Participants between AFI Grants is located in Appendix I.

513.1 Reassigning Participants Related to 2014 Account Closure Project





In October 2014, it was discovered that many expired IDA participants who were set to close their accounts were actively engaged in the IDA program. Though they had exceeded the five year project period, they were working to mitigate other factors that inhibited their ability to make the final asset purchase within the prescribed time. Other IDA participants were closed because their asset goals were deemed disallowed by policy changes. However, these IDA participants identified new allowable asset goals and needed more time to complete the IDA program. IDA Administrators can request a reassignment in a new grant and forfeit a new slot, if they have IDA participants who meet the eligibility requirements but have exceeded the project period. These participants will go through the same approval process referenced above.

513.2 Request Reassignment Approval

If an IDA Administrator determines that an IDA participant will need to be reassigned to a new AFI grant, then the IDA Administrator must request prior approval from IHCD. The IDA Administrator must submit a written request for reassignment and demonstrates that the IDA participants meet all of the eligibility requirements. The written request must acknowledge that the IDA Administrator is giving up a new slot for a pre-existing IDA participant. If the IHCD approves the reassignment, then the IDA participant must sign the Reassignment Affidavit. The affidavit will outline the terms and conditions to move to a new AFI grant.

513.3 Allocating the Match Funds- Original Grant

Once the approval for the reassignment has been provided by IHCD, the match funds for the original grant must be reallocated to the new participant, where applicable. The participant's personal savings will be transferred from the old grant number to a new grant number.

513.4 Allocating the Match Funds- New Grant

New match funds will be set aside in the new AFI grant. The IDA participant will be given a new AFI grant number. The IDA participant will receive a new five year project period. A slot to recruit a new IDA participant will be forfeited by the IDA Administrator. In the case notes in IHCDOnline, the IDA Administrator must document the process for reassignment including:

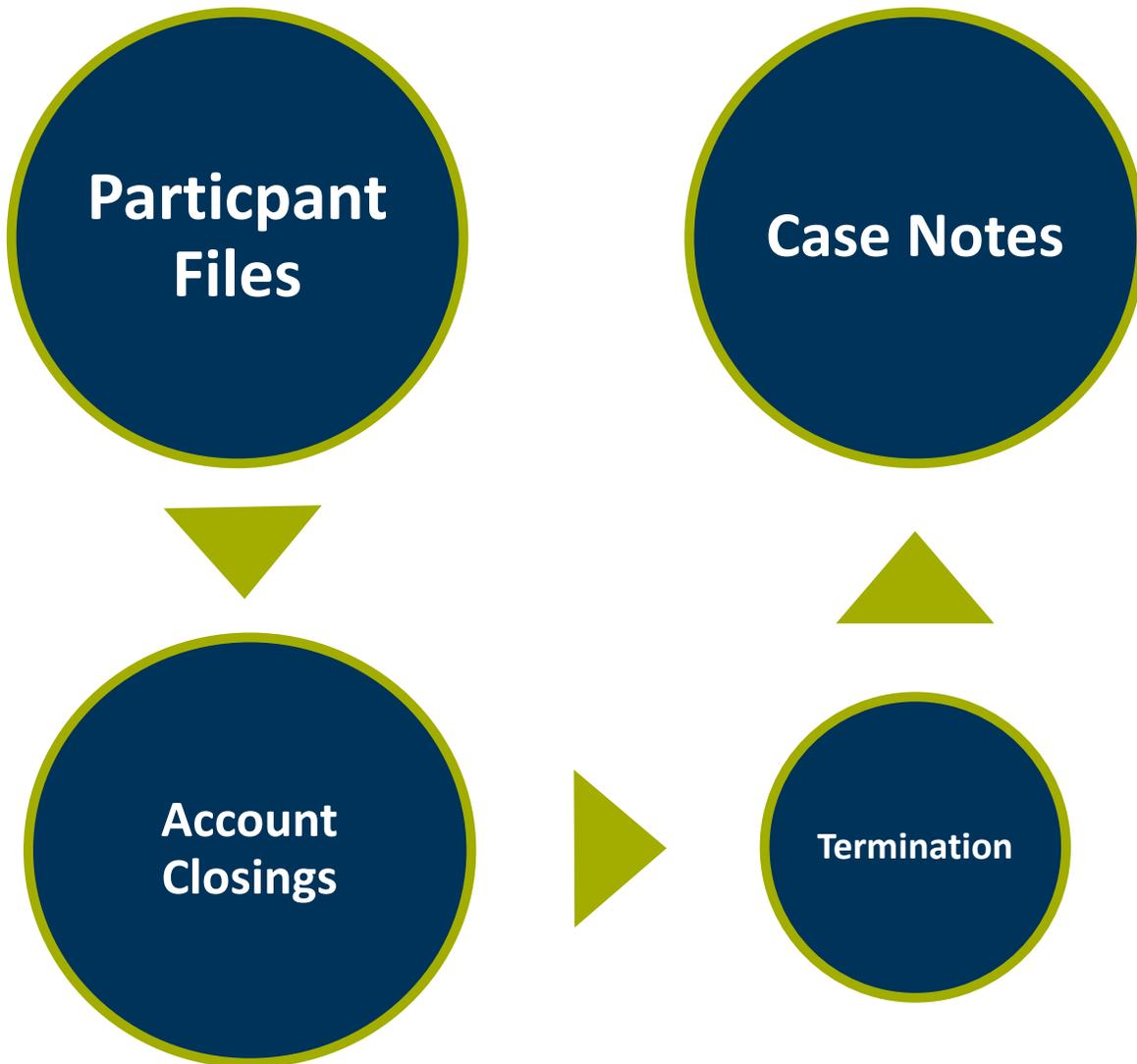
- Date of the Reassignment request from the IDA Administrator to the IHCD
- Date of approval (or denial)
- Amount of the personal savings balance to be transferred
- Amount of the match funds to be reallocated from the old grant
- The new project period

513.4 Reassigning from a New Grant to an Old Grant

According to IM 2004-03, grantees have the option to reassign a participant in a new grant to an old when the participant has completed the savings and asset purchases. The goal of this transfer is to demonstrate earlier program success. IHCD will not allow this type of transfer for IDA participants.

See IDA015-03 with more information and the affidavit for reassigning participants.





Section 600: Participant Files and Account Closings

Participant Files

IDA Participant Files

Pocket 1- Application

- IDA Application
- Savings Plan Agreement with Beneficiary Information
- IDA Release of Information with signatures of Participant, IDA Participant AND Witness
- Copy of Participant’s Driver’s License (or state issued ID) and Social Security Card



Pocket 2- Financial Summary

- IDA Income Calculation Worksheet
- 2 most recent consecutive pay stubs for everyone in the household
- Prior Year Income Tax Return
- Credit Score (or documentation stating the Participant has no Credit Score)
- Personal Budget
-

Pocket 2- Training

- IDA Training Log
- Certificate of Completion of Financial Literacy Training
- Certificate of Completion for Asset Specific Training

Pocket 4- Deposits/ Match

- Proof of Deposits –Bank statements, Deposit slips, etc.

Pocket 5- Withdrawals

- Asset Purchase Withdrawal Forms (ordered sequentially)
- Original Receipts for Purchases
- Duplicate copy of the Check if provided by financial institution

Pocket 6- Communication/ Close-out Form

- Copy of any communication with the participant such as Quarterly statements, email communications, letters sent via US Mail, etc.
- Post Financial Skills Assessment
- Post Credit Score
- Close-Out Form when the Account is closed (Please send signed copy to IHCD)

Account Closings

There are two types of account closings: “Graduate” or “Non-Graduate.” The goal of the IDA program is to have every IDA participant graduate within five years. Despite best efforts, not all IDA participants are ready for long-term saving and asset ownership. These IDA participants are considered Non-Graduates and must terminate their program participation after five years.

A **Graduate** has successfully completed the savings plan, received all match funds, made all asset purchases, and completed the IDA program within five years. The Graduate will have no funds remaining in the personal savings or match accounts. The account status is changed to closed and their funds to remit to the IDA participant or IHCD. The IDA participant will continue to be ineligible for an IDA in the future.

A **Non-Graduate** has terminated program participation for one of the following reasons:





- Made an unauthorized withdrawal from the personal savings or match accounts
- Voluntarily terminated participation due to personal circumstances or did not find the IDA program to be a good fit for his/her financial status
- Exceeded the five year project period without using all of the personal savings or match funds
- Moved out of State

When an IDA account is closed for a Non-Graduate, the personal savings (plus interest) will be sent back to the last known address of the IDA participant and any remaining match funds (both federal and state) will be sent back to the IHCD e. The account status will be changed to closed. The IDA participant will be ineligible for future IDA accounts.

601 Participant Termination

IHCDA reserves the right to dismiss an IDA participant who fails to meet, or is in violation of, IDA program requirements, as set forth in Indiana Code the IDA Savings Plan Agreement or Participant Handbook. Examples of behavior which merit dismissal from the IDA program are:

- Falsifying personal, income or application information.
- Non-compliance with the IDA Savings Plan Agreement, including failure to comply with IDA savings requirements.
- Failure to complete Financial Literacy Education or Asset-Goal Specific Training.
- Unauthorized savings withdrawal(s).
- Failure to “graduate” from IDA program and draw down funds within 12 months preceding last match opportunity.

Termination from the IDA program can be made at the discretion of IHCD e or the IDA Administrator. To avoid termination and loss of match funds, it is recommended that each IDA participant keep in regular contact with his/her IDA Administrator, especially in the event of loss of income or other household changes that may negatively impact the IDA participants’ ability to save.

Failure to comply with these regulations may not only result in dismissal from the IDA program, but also, the ability of the IDA participant to participate in the IDA program in the future.

As with regular account closures, once an IDA participant is terminated from the IDA program, the IDA will be closed and the bank should send any personal savings (plus interest) accrued to date to the last known address of the IDA participant, while matching funds should be sent back to IHCD e. The IDA status will be changed to closed. The IDA participant will be ineligible for future IDA accounts.

602.3 Adding Case Notes

When closing the IDAs (both active and expired), IDA administrators must enter case notes regarding major activities that take place with the financial transactions. The case notes should document:

- If the IDA participant changes its asset goal due to the disallowance of OOR
- When the final OOR project was approved and estimated completion date



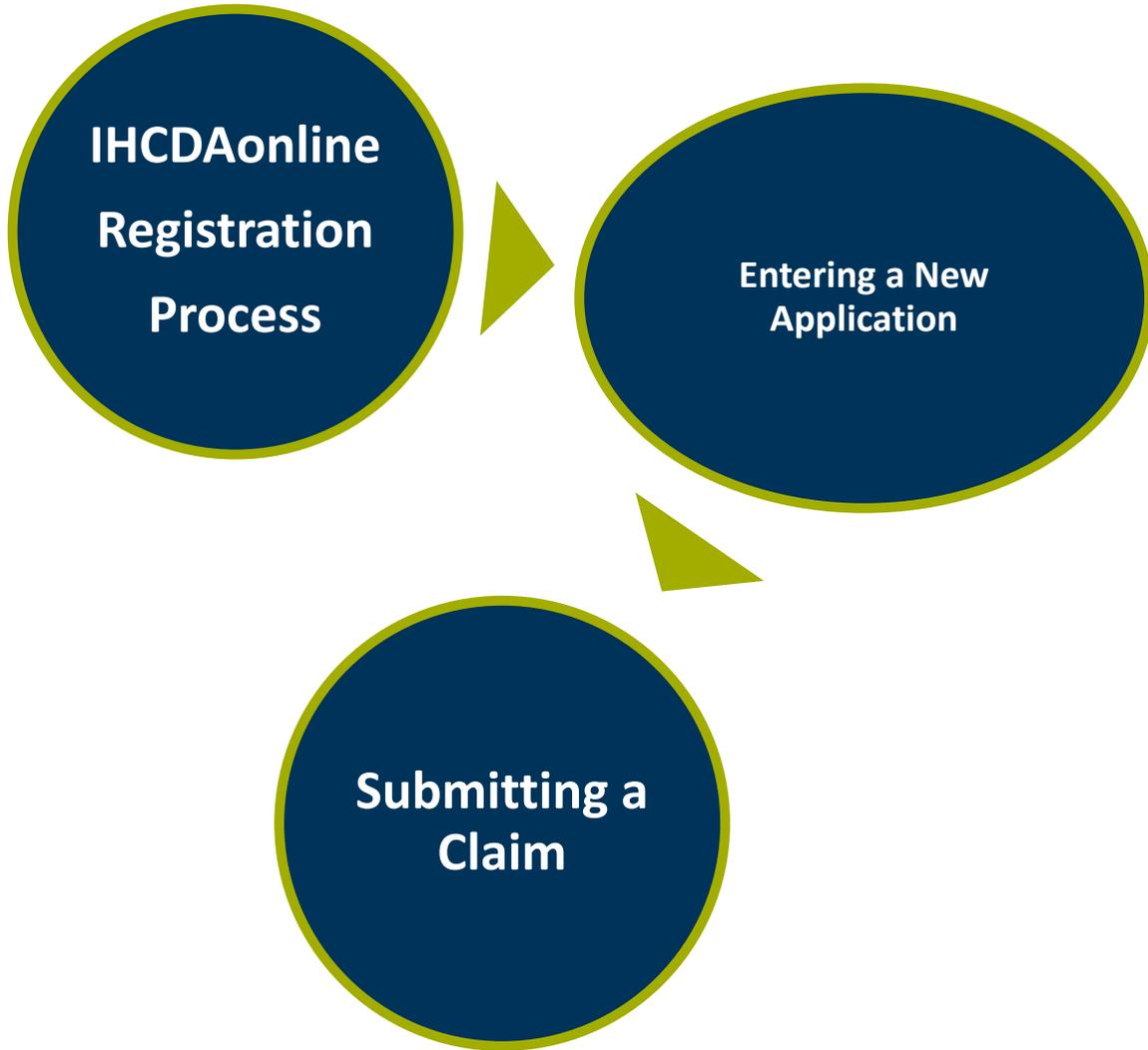


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- If the IDA participant closes its IDA and chooses not to participate in the IDA program any longer
- If the IDA participant files an appeal regarding the process and action steps completed by the IDA administrator.

See Policy Guidance IDA-015-01 located in the Appendix regarding the process for closing these IDAs, IDA participant letters, and frequently asked questions.







Section 700: Database Management and Reporting

IHCDA requires IDA Administrators to utilize a comprehensive IDA database system. This system is referred to as IHCDOnline. The system is used: to maintain IDA participant and other IDA program information, create and submit claims, and generate program reports. New IDA Administrators must be granted access to the system by IHCDA staff.

701 IHCDOnline Registration Process

Visit: www.ihcdaonline.com

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Indiana Housing & Community Development Authority

Indiana Housing Online Management System

Welcome to the AuthorityDMS Online Management System

This site will allow organizations working with the Indiana Housing and Community Development Authority to manage information about their awards. Some of the features of this site are claims management, Owner Certifications, IDA Awards, NAP Reporting, and the Single Family software download. This site continues to be expanded for to allow our partners to work more closely with us and to streamline our processes.

Username: [New User? Register Here.](#)

Password:

[Forgot Your Password?](#)

[Online Resources and Training Videos](#)

Click [Here](#) to visit the IHCDA website.

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- Before you are able to log in you must first setup an account with IHCDA. Above you will see a link for “New User? Register Here”.
- Fill in your information and the Organization you are with.
- Select the “Individual Development Account Access” in the lower part of the registration screen to request access to the IDA program within IHCDOnline.







Indiana Housing Online Management System

Registration

In order to gain access to this website, you must request it and have it approved by IHCD. Please enter the following information:

Profile Information

First Name:

Last Name:

Organization:

Organization Address:

City:

State:

Zip Code:

Telephone:

Fax: (optional)

E-mail:

Username:

Password:

Confirm Password:

NOTE: It is Recommended that new users use their business email address.

Access Types

Please check the box next to the type of access you are requesting. You should *only* request access to the program(s) that you are *directly* involved in. If you request access for a program that you are not involved with, you may find that your request will be denied for all programs.

Annual Owner Certification and 8609 Access for Rental Housing

Market Stabilization Program for Mortgages for Single Family Homeownership

Neighborhood Assistance Program Access for Community Development

Individual Development Account Access

Claim Management Access

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- Once a user has registered, the IHCD IDA Administrator will review his/her information and approve access. A user will not be able to access the IDA program within IHCDOnline until the user has been approved.





702 Entering a New Application

Follow detailed instructions provided in the IHCDOnline User Manual.

Final step requires the IDA Administrator to select 'Submit for Approval' button.

Select the required button and send email to the IHCD IDA Administrator with IDA participant's full name and last four digits of Social Security Number requested that application be approved.

IDA participant's status will remain 'Awaiting Approval' until approved by the IHCD IDA Administrator. Once approved at IHCD level, the IDA participant's status will move to 'Active'.

Tracking IDA Participant Activity

All deposits, withdrawals, changes in contact information, etc. should be recorded in the system as described in the IHCDOnline User Manual.

Claims

Matching and Administrative Claims must be created and submitted in the system as described in the IHCDOnline User Manual.

Reports

Several reports are available to IDA Administrators. A list of available reports and instructions on generating the reports can be found in the IHCDOnline User Manual.

Award Information

IDA Administrators can view and update information specific to their IDA awards. Detailed information regarding this functionality is located in the IHCDOnline User Manual.

Bank Information

IDA Administrators will setup and maintain information for partnering financial institutions.





702 Submitting a Claim

Step 1:

Go to <http://www.ihcdaonline.com>

Step 2:

Click "Awards Claim Management"

The screenshot shows the 'Programs' section of the IHCD online system. The 'Award Claims Management' link is highlighted in yellow. Below it, there are descriptions for 'Professional Services Claims Management' and 'My Profile'. At the bottom, there is a note about sharing 'Organization Code' with other organizations.

Step 3: In the upper left hand corner, click "Create Claim"

The screenshot shows the 'Award Claim List' page. The left sidebar has 'Create Claim' highlighted in yellow. The main content area shows instructions on how to submit a claim, including a note about the 'Awaiting Approval' status and a dropdown menu for 'My Awards'.

Step 4:

Select the corresponding award in which you will draw funds from and the transaction type. A description of the function of transactions is below. When this information has been selected, click "Create Claim":

Step 5:

Follow the on-screen instructions under the claim tab. Fill in the requested amounts under the appropriate line items and click save.

Step 6:

Email bcarman@ihcda.in.gov with the subject IDA claim with the receipt number and request for approval. The analyst will send you a receipt to be signed by an authorized official at your agency. Once returned the claim will be approved and transferred electronically to the specified account.



Financial Institutions

SECTION 800: Financial Institutions

Indiana has over 40 financial institutions that participate in the IDA program. These financial institutions include banks and credit unions. Each financial institution is required to submit a signed IDA Program Memorandum of Understanding (MOU). The MOU outlines the financial institution's obligations as a servicer for IDA participant savings and match funds. Failure to adhere to the terms and conditions of the MOU may result in the financial institution's participation in the IDA program being terminated or having to repay funds associated with IDAs that are not managed properly by the financial institution. The MOU is located in Appendix CC.

Each MOU is effective from October 1 to September 30 of the program year and outlines the following responsibilities of the financial institution.

- A. Establish **two (2)** (individual Savings account and parallel match account) accounts for each IDA saver as joint, **custodial accounts** with the IDA Administrator a/k/a the CDC designated as the custodian. These accounts should be flagged as "IDA" accounts and should have **participant access limited to deposits only**.
- B. Offer financial services related to the establishment and maintenance of the IDA at no cost to the account holder.
- C. Guarantee all IDA accounts earn at least the market rate of interest.
- D. Educate bank staff on IDA's and designate an IDA contact person.
- E. Permit deposits be made to an IDA account by either the IDA participant or the CDC, on behalf the IDA participant.

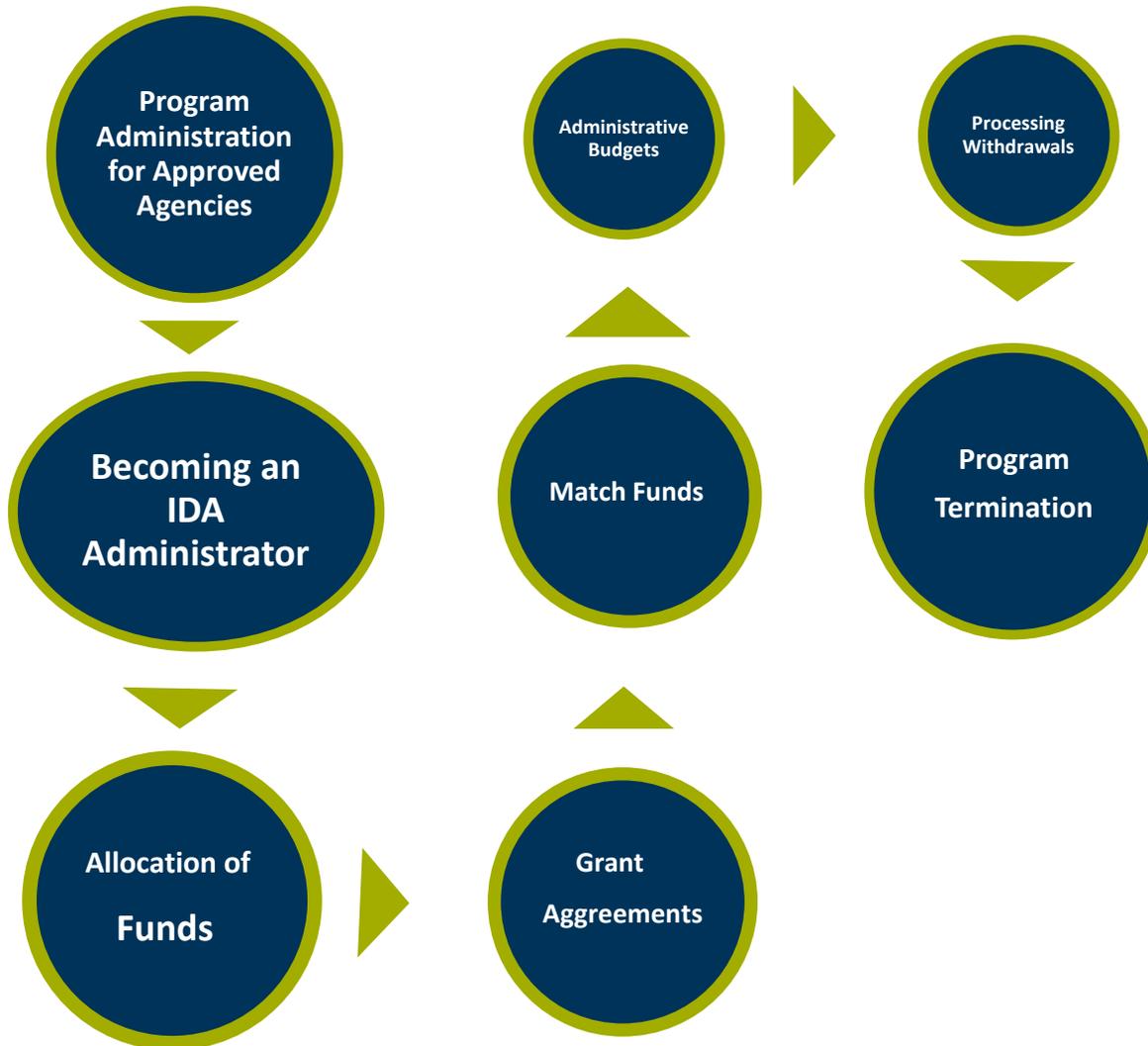


Individual Development Account Program Manual

- F. Deposit State and/or AFI match dollars in the amount indicated and delivered by IHCD A into the respective parallel IDA match account.
- G. Ensure **all** withdrawals (from either personal and/or match accounts) have been authorized by the administering CDC, and have any requisite documentation attached.
- H. Ensure that IDA accounts (personal and match) have access restricted from ATMs, online banking and/or telephone banking features.
- I. Ensure that Checks (for purposes of an asset purchase) be written to a **third-party vendor**. IDA participants **MAY NOT** be listed as remitters on any check, unless for purposes of an emergency withdrawal.
- J. Ensure that funds disbursed for Emergency Withdrawals be withdrawn from only the IDA participants' personal savings.
- K. Provide the CDC with monthly statements of all deposits into and withdrawals from each designated IDA account and coordinate with administering IDA Organization as to the proper procedure for dissemination of the individual saver's monthly statement.
- L. Maintain communication and provide updates to the administering CDC and IHCD A on the status of accounts upon request.
- M. Maintain accounts in accordance with applicable state and federal regulations.

Failure to comply with the terms and conditions set forth in the MOU may result in termination of the financial institution's participation in the IDA program. IDA Administrators should distribute copies of the MOU to the financial institutions. They may returned original forms with signatures to IHCD A with the MOU or have the financial institution send the forms directly to IHCD A. However, an original form must be received by IHCD A before claims can be processed.





Section 900: Program Administration for Approved Agencies



Each year, Indiana must submit a grant application to the U.S. Department of Health and Human Services for the Assets for Independence Demonstration Program under the Office of Community Services to receive grant funds for administering the IDA program. Award notification from the AFI is submitted to the grantee by September 30 of the program year. Grants are awarded on a five year grant cycle. This section outlines the administrative aspects of running an IDA program.

901 Becoming an IDA Administrator

To become an IDA Administrator, each private nonprofit or local unit of government in Indiana must submit a Program Administrator's Application to the IHCD office by the prescribed deadline. The application will require the organization to outline the following information.

- Its experience in administering IDA programs or other programs with similar mission and clientele
- Primary staff or point of contact that will be dedicated to the daily administration of the IDA program
- Estimated number of current accounts
- Requested number of accounts for the new grant cycle

Once the applications are received, they are reviewed by staff at IHCD for accuracy, experience, and completeness. Approved applicants will be submitted to IHCD's Board of Directors for approval.

To request an application to become an IDA Administrator, the organization should contact Greg Stocking, Community Programs Analyst, at gstocking@ihcda.in.gov. A sample Program Administrator Application is located in Appendix J.

902 IDA Allocation of Funds

IHCD is awarded funds through a competitive grant process that takes place annually. The Office of Community Services of the U.S. Department of Health and Human Services releases a Notice of Funding Availability (NOFA) and eligible applicants must submit an application. Awards are released by September 30 of the federal fiscal year. Historically, IHCD has submitted an application for the open NOFA. Funding has been received by September 30 of that federal fiscal year. The program year was changed to the federal fiscal year to accommodate for late funding announcements.

Once the grant funds are received from AFI, IHCD will assess the total number of IDAs requested from the IDA Administrators and allocate IDAs based on past performance and information in the Program Administrator's Application. Historically, IHCD has received \$1 million in federal funds that are matched by \$1 million in non-federal funds. This funding allows for Indiana to open a maximum of 472 IDAs plus award administrative funds.





902.1 Grant Agreements

IDA Administrators will receive a IDA Program Participation Agreement from IHCD to manage the IDA accounts. Effective October 1, 2013, each IDA Program Participation Agreement is set up for a “five year project period”. In the five year agreements, agencies will receive enough funds to cover the four years of matching funds plus administrative funds to support program operations.

The term of the IDA Program Participation Agreement is outlined in Section 3 of this agreement.

Prior to October 1, 2013, there were contracts that were one-year, two-year, and four year agreements.

‘One Year Contracts’

- Match Funds- should be used to match savings deposited by participants enrolled into the IDA program prior to the 2012-2013 program year. All participant savings will be matched at a rate of 3:1 under this contract
- Administrative Funds- administrative costs associated with the management of the matched under this contract should be claimed against the budget for this contract
- The terms of these contracts were extended
- Contract Terms- October 1, 2013- September 30, 2014
- Example Contract Title- IDA013-000

‘2012-2013 Four Year Contracts’

- Match Funds- should be used to match saving deposited by participants enrolled into the IDA program during the 2012-2013 program year. All participant savings will be matched at a rate of 3:1 under this contract
- Administrative Funds- administrative costs associated with the management of the matched under this contract should be claimed against the budget for this contract
- The terms of these contracts were extended
- New Current Contract Terms- October 1, 2012- September 30, 2017
- Example Contract Title- IDA012B-000

Once these IDA Program Participation Agreements have expired, they will not be reissued.

902.2 Match Funds

Of the \$2 million used to fund the program, IHCD allocates \$1,700,000 toward match funds for new IDA participants- half of this amount is federal and the other half is non-federal. This allocation allows the IHCD to set up no more than 472 new accounts per grant award from AFI. Each approved IDA Administrator is allocated \$3,600 per approved IDA. The funds are split evenly between federal and non-federal funds. The IDA Administrator will allocate \$1,800 in the federal budget line item and \$1,800 in the state budget line item per approved account. Those funds are budgeted on the Match Funds line items under AFI and State on the budget worksheet.





As stated in Section 504, agencies must post deposits and submit claims at least quarterly to ensure timely reporting. The posting schedule is posted below.

<u>Quarter</u>	<u>Claim Due Date</u>
October 1 to December 31	January 31
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31

After the last quarter of each IDA program year (July 1 to September 30) ends, IDA Administrators must continue to submit match claims for that program year only. Any match claim that is submitted between October 1 and October 31, will post to the previous program year that ended on September 30, not the new program year that begins on October 1. Match funds for the new program year cannot be distributed to IDA participants until after October 31.

902.3 Administrative Budgets

The IDA program provides up to 15 percent of the total AFI allocation toward administrative expenses. Based on a \$2 million program, IHCD cannot spend more than \$300,000 statewide. These funds must support all IDA Administrators. The state currently takes no funds for state administrative support.

The administrative budget is divided into the following three line items, as outlined in Section 2 (D) of the IDA Program Participation Agreement and Section 407(b) (3) of AFI legislation:

- Data Collection: Not less than **2 percent** of the overall budget must be used for data collection and management.
- Administrative: Not more than **7.5 percent** of the overall budget can be used to administer the project.
- Financial Education: Remaining **5.5 percent** shall be used for non-administrative functions, including: providing assistance to participants in obtaining skills and provided applicable training.

If the IDA Administrator does not use the entire 5.5% for financial education, the remaining funds can be used to fund administrative expenses.

The administrative budget is not tied to match funds. IDA Administrators can claim admin funds at any time during the grant. IDA Administrators are eligible to use the entire admin budget, even if the IDA Administrators do not use all of the match funds. IDA Administrators must submit expenses within 45 days of the occurrence. For more information about the required documentation for submitting IDA Administrative claims, agencies must review the IHCD Claims Submission Manual for Back up detail requirements.

In previous program years, IDA Administrators have been provided an administrative rate per IDA participant for administrative claims. Though the current program no longer uses this claim structure, it can be noted that it usually costs an IDA Administrator approximately \$635.59 to administer an IDA for five years.

903 Processing Withdrawals





All claims go through the same process within IHCD online. See Section 700 regarding the procedures for processing claims.

904 **90 Day Notice for Program Termination**

According to Section 30 of the IDA Program Participation Agreement, IHCD has the option to terminate an IDA Administrator’s participation in the program. IHCD must provide the IDA Administrator with a 30-day notice and specify how service delivery will take place after termination has been rendered. On the other hand, an IDA Administrator may terminate its participation in the IDA program as well. The IDA Administrator must provide written notice at least 90 days in advance.

Section 54 of the IDA Program Participation Agreement includes a “Survival clause”, thus, even though an IDA Administrator may terminate the IDA Program Participation Agreement, the IDA Administrator is bound to “Administer all IDA’s established by or transferred to the CDC for the life of the account regardless of the IDA’s status.” The IDA Administrator’s participation will terminate after the last IDA has expired. Whenever a termination notice is provided (either by IHCD or the IDA Administrator), the survivorship of accounts will be assessed so that both parties have a clear understanding of how long the IDA Administrator will be engaged in administering the remaining IDAs.







Section 1000: Program Compliance and Monitoring

Starting with the 2014-15 program year, IHCD will be developing and implementing an IDA Program Compliance system for monitoring IDA Administrators. The compliance system will ensure that the IDA Administrators have effective internal controls over program operations and financial transactions. The new compliance system will include the development and implementation of agency level internal controls and a monitoring program.

1001 Internal Controls

Effective November 1, 2014, all approved IDA Administrators must complete and submit a copy of their agency's internal controls for the IDA program. The internal controls are designed to follow the IDA program administration policies and procedures as well as protect the funds from fraud, waste, and abuse. IHCD will evaluate the internal controls as a part of the monitoring program.

The internal controls must include policies about:

- How to complete an application with proper signature approval process outlined
- How to complete the eligibility review and assessment(s) with internal quality review process included
- How to retain copies of identification and social security cards in participant files or other locations
- How to approve IDA participant files for employees, board members, or families of either employees or board members
- How to approve and complete withdrawals and asset purchases
- How to properly close an account at the agency, at the bank, and remit information to IDA

All IDA Administrators must remit copies of the internal controls to IHCD for approval within six (6) months of receiving the new IDA Program Participation Agreements.

1001.1 Social Security Number Validation

Each household member must present a valid social security number as a part of the eligibility process. The most acceptable form of SSN is the card. However, other acceptable forms of verification include:

- A letter from the Social Security Administration.
- A Social Security benefit letter is acceptable, as long as the full number is provided and a photo identification card is reviewed.
- A benefit letter from another categorically eligible program, as long as the full number is provided and a photo identification card is reviewed.

All IDA administrators are required to retain a copy of the documentation used to verify the SSN. The documentation may be stored in the eligibility file or a separate file. However, the IDA Administrator must strike out all but the last four digits of the SSN, if the copy is retained in the eligibility file.





1001.2 Quality Assurance Review

Though not currently required, IDA Administrator are strongly encouraged to develop a quality assurance process that will verify that the IDA application has been completed according to the policies set forth in this manual and that the IDA participant file is properly documented. All complete file will contain all of the following documentation.

- IDA Participant Application
- Savings Plan Agreement
- Release of Information
- Training Logs
- IDA Training Certificate of Completion
- SS# documentation
- Income verification documentation
- Copy of Personal Budget
- Contact Log and Case Notes
- Copies of correspondence
- Monthly Savings Log
- Withdrawal(s) Request Forms with supporting documentation
- Credit Report
- Bank statements
- Deposit forms
- Match Request Forms

1001.3 Processing Applications of Relatives and Staff

Any prospective participant, employed by the IDA Administrator full-time, part-time or contractually, defines the IDA Administrator's staff. Relatives are any person(s) applying with the following relationship to a staff or board member:

- Spouse
- Sibling
- Parent or Grandparent
- Child or Grandchild
- Brother or Sister-in-law
- Aunt or Uncle
- Niece or Nephew

Any relative or staff completing an application for agency benefits should have their file reviewed by the Program Manager or Executive Director upon final determination for approval or denial of a benefit. Relatives of the Executive Director should have their file reviewed and approved by a designated member of the IDA Administrator's board or a board committee.





All required IDA policies, procedures and deadlines are applicable. IDA Administrators may store IDA participant files with the Program Manager or Executive Director, as an added measure of privacy for the IDA Administrator's staff and/or their relatives.

Each IDA Administrator should ensure that its Quality Assurance Review includes the following steps:

- Checking that all required documentation is in the file (see Appendix H)
- Ensuring that all files include a signature or initial of the manager or board member designated to approve the application

1001.4 Nepotism

IHCDA does not condone any impropriety, conflict of interest or nepotism. For that reason, IDA program staff as well as friends or family members of IDA Administrator program staff are prohibited from participating in the IDA Program, at the IDA Administrator's program site where their affiliation takes place. Whenever possible, however, the affiliated individual may seek participation in IDA Program at a neighboring IDA Administrator.

Non IDA-affiliated staff of the IDA Administrator may be eligible for an IDA provided that the total number of employee accounts equals the lesser of three (3) accounts or ten percent (10%).

1001.5 Conflict of Interest

- A. Conflicts Prohibited.** No persons described in paragraph (B) of this section who exercises or has exercised any functions or responsibilities with respect to administering the IDA program for the IDA Administrator or who is in a position to participate in a decision-making process or gain inside information with regard to the IDA Program may obtain a financial interest or financial benefit from this program or have a financial interest in any contract, subcontract, or agreement with respect to the IDA Program, or the proceeds from activities related to the IDA Program, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.
- B. Persons covered.** The conflict of interest provisions of paragraph (A) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the IDA Administrator
- C.** The IDA Administrator has an affirmative obligation under this Agreement to disclose to IHCDA if there is a conflict interest and IHCDA may grant an exception to the provisions of paragraph (A) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the IDA Program.
- D.** The IDA Administrator shall maintain written standards of conduct governing the performance of





its employees engaged in the award and administration of contracts.

1002 Overview of the Monitoring Timeline:

- A. IHCDCA will conduct desktop or on-site monitoring, for IDA programs bi-annually.
- B. Review will generally take 1 day, and will be conducted alongside an agency's Energy Assistance Program review or Comprehensive Agency Review (CAR), whenever possible. The monitoring review may cover some items during a couple of days in one week and some work in another week.
- C. The monitor will have 30 days to issue the report to the IDA Administrator. The IDA Administrator will have 30 days to respond to the report. At this point, the time between correspondences is reduced to 15 days.
- D. The monitor will track the progress of post review activities until all issues have been resolved at which time a final closure letter is issued.

1003 Monitor Preparation:

- A. At least 30 days prior to the IDA monitoring review, the notice letter will be sent to the Executive Director of the IDA Administrator. This notification may be included with the CAR or EAP monitoring notifications, when applicable.
- B. The monitor(s) will make travel arrangements, and gather all materials needed to conduct the monitoring review.
- C. The monitor(s) will review monitoring reports for the past two years, to ensure previous findings and concerns remain resolved and the IDA administrator is compliant.

1004 The Review:

- A. Desktop Monitoring review will be conducted by phone, whenever possible. If monitor(s) are on-site, the monitoring review will occur subsequent to an EAP or CAR review. The IDA Administrator's program staff should also attend the entrance interview, if applicable.
- B. The monitor(s) will conduct an interview, which will include any program staff working directly with the IDA program, as designated by the IDA Administrator's leadership. The interview will consist of questions, which assess program policy, procedures and client success.
- C. At the conclusion of an on-site monitoring review, the lead monitor will conduct an exit interview with the same agency personnel that attended the entrance interview. All outstanding items, findings, concerns, suggestions, and comments will be discussed. This will ensure that all surprises or confusion are avoided when the monitoring report is issued.
- D. All persons attending the exit interview will sign the exit interview form.

1005 The Report and Response Period:



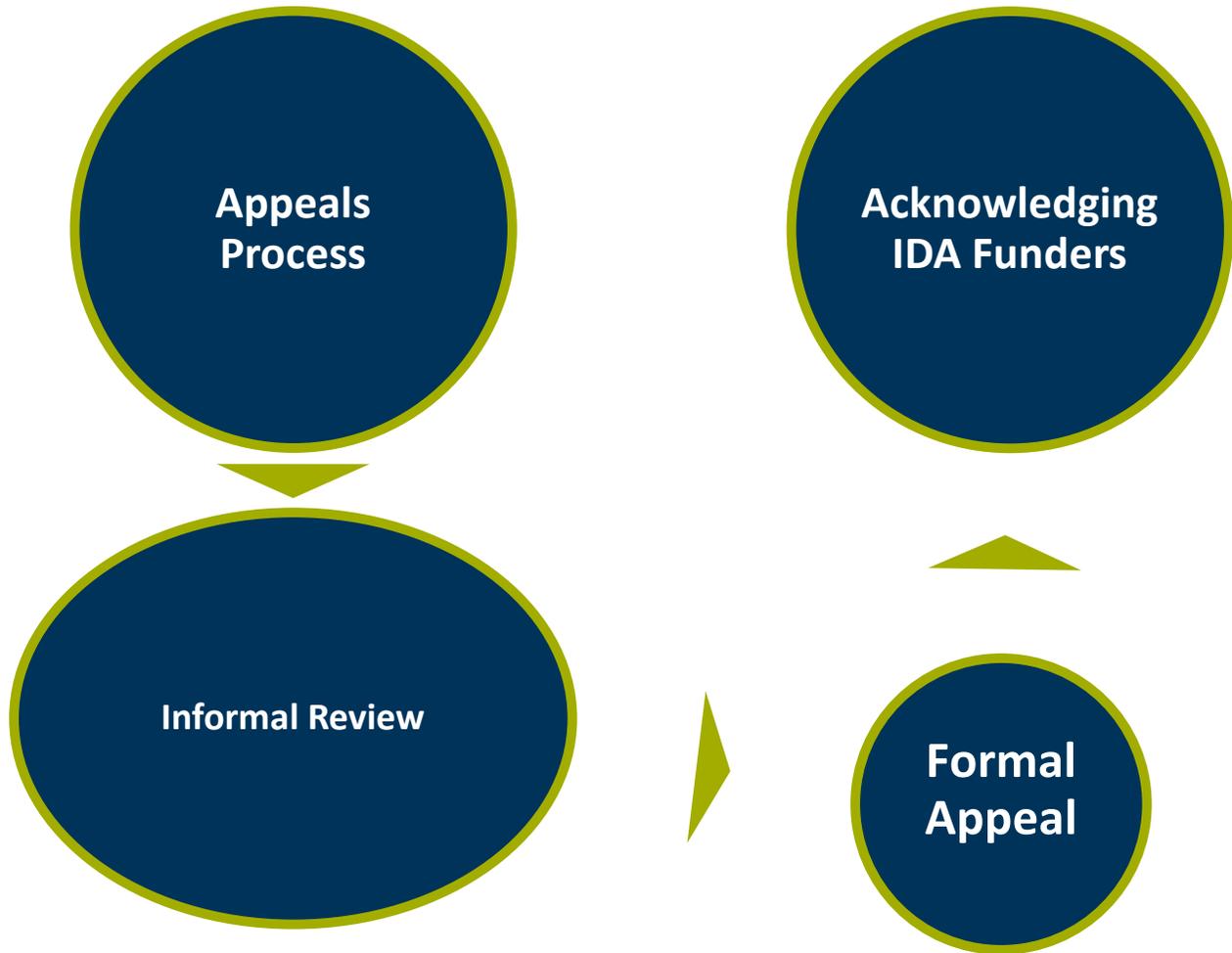


- A. Lead monitor will issue a report, outlining all findings, concerns and recommendation within thirty (30) days of the exit interview.
- B. Each finding will include a required corrective action by the IDA Administrator. All concerns issued will list a good management practice, in which the IDA Administrator is strongly encouraged to consider. The IDA Administrator is not required to address recommendations, this is optional.
- C. If monitor(s) determines a financial finding, the IDA Administrator must repay IHCDCA within thirty (30) days of the report. A financial finding, may occur when a client receives undue benefits, due to ineligibility, or is owed a credit, due to misapplication of funds.
- D. The IDA Administrator has thirty (30) days to respond to IHCDCA, and is expected to address all findings and concerns.
- E. Initial appeals should occur in the IDA Administrator's response to the monitor for reconsideration and/or dismissal. If the IDA Administrator does not appeal its financial findings, please note it should provide documentation of repayment or credit to client(s) for closure to occur.
- F. If an IDA Administrator requests reconsideration of any findings or concerns, the IDA Administrator has fifteen (15) days to respond to IHCDCA monitor after it has received the first response.
- G. After each findings and concerns are addressed, and all payments have been submitted, if applicable, a close out letter will be issued.

1006 The Appeals Process:

- A. Agencies that contest a finding or concern are expected to state their position in their response letter to the report. IHCDCA will either accept the position of the IDA Administrator based on new information or evidence provided or continue to assert that the issue does constitute a finding or concern. At that point, the IDA Administrator may send an appeal letter to the Deputy Director of Community Programs at IHCDCA.
- B. The IDA Administrator will receive a reply within 30 days to its appeal. If the IDA Administrator does not agree with the reply at this level, it may appeal again to the Executive Director of the IHCDCA whose response will be final.







Section 1100: Additional IDA Program Policies

Section 1101 Appeals Process

The Appeals Procedure begins at the local level with an informal process designed to settle most problems through a review of the facts and resolution of the issues. This process can include assistance from the Indiana Housing and Community Development Authority. If the informal process does not resolve the matter, there is a subsequent process whereby the IDA participant may ultimately address any grievances and request a final decision.

1101.1 Informal Review Process

1. The IDA Administrator must provide **written notification** of approval or denial to all IDA participants who apply to the IDA program within ten (10) working days of the household's completed and processed application. The notification must include the household's right to appeal that determination.
2. If the prospective IDA participant is not satisfied with any determination by the Program Manager of the IDA program, he/she may submit a written or oral request to the Program Manager of the IDA program for a review of the determination. The Executive Director, or designee, shall make the determination of the prospective participant's eligibility on review within ten (10) working days of the prospective participant's request.
3. If the prospective participant is still not satisfied with the determination after review by the Executive Director, he/she may request review by IHCD. The participant must send a written request to:

Greg Stocking
Community Programs Analyst
Indiana Housing and Community Development Authority
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

If an applicant needs assistance with this procedure, they may call the IHCD at 1-800-872-0371.

4. Upon a request for IHCD the IDA Administrator will forward the household's application, the written notification of the household's denial, and other pertinent documentation to the IHCD's Community Programs Analyst.
5. IHCD's Community Programs Analyst will review the materials submitted and issue a written finding to the applicant and the IDA Administrator based on the documentation submitted, within 30 calendar days.





1101.2

Formal Appeal

1. If the applicant disagrees with the determination of the Community Programs Analyst, the applicant has the right to appeal to the IHCD's Compliance Attorney for final determination. The applicant must submit a written appeal within thirty (30) days of being notified of IHCD's decision. The appeal must include the stated reasons for the applicant's objection to the denial, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:
 - a. Clear and substantial error or misstated facts which were relied on in making the decision being challenged;
 - b. Conflict of interest in the decision-making process;
 - c. An illegal, unethical or improper act; or
 - d. Other legal basis that may substantially alter the decision.
2. Requests for a formal appeal should be sent to the attention of:

David W. Stewart
Compliance Attorney
Indiana Housing and Community Development Authority
30 South Meridian Street, Suite 1000
Indianapolis, Indiana 46204

2. The Compliance Attorney shall review all of the information provided by the Community Programs Analyst and the IDA Administrator.
3. The applicant shall be afforded the opportunity to review all documentation submitted to the Compliance Attorney for consideration.
4. The Compliance Attorney shall make final determination about the appeal. The final written correspondence will be provided within 30 days calendars from receipt.





Section 1102 Acknowledging IDA Funders

Acknowledging IHCDCA Funding in Your Publications

The Indiana Housing and Community Development Authority (IHCDCA) grantees, award recipients, and their sub grantees must acknowledge funding in all publications that describe services and activities that are funded in whole or in part with their IHCDCA award.

Publications that should include an acknowledgement of IHCDCA funding include: funds statements, press releases, marketing materials such as brochures and presentations used for recruiting participants, and all other documents that describe your organization's outreach efforts and programmatic offerings.

Recipients are asked to send a draft of such materials to IHCDCA prior to publication/disbursement to ensure accurate information is presented, as well as for accountability and consistent messaging.

Acknowledging AFI Grant Funding in Your Publications

Assets for Independence (AFI) grantees—and their sub grantees—must acknowledge Federal funding when in all publications that describe services and activities that are funded in whole or in part with their AFI grant.

Publications that should include an acknowledgement of Federal funding include: funds statements, press releases, marketing materials used for recruiting participants (e.g., brochures and presentations), and all other documents that describe your financial education and individual development account offerings. Recipients are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal funds and (2) the percentage and dollar amount of the total costs financed by other sources.

This requirement is found in the U.S. Department of Health and Human Services' [Grants Policy Statement](#), which establishes policies for grantees under a variety of HHS programs. The AFI Resource Center encourages grantees to become familiar with the requirements found in Part II of the document, which covers HHS-wide terms and conditions for grants. Note that these requirements are in addition to the [official AFI grant documents](#) that you received upon grant award: Official Award Letter, Standard and Special Terms and Conditions, and Federal Financial Assistance Award.

To meet this requirement, grantees and sub grantees can customize the sample text below for inclusion in their publications:

A grant from Assets for Independence (AFI), a program of the U.S. Department of Health and Human Services, funds approximately 50 percent (\$1,000,000/annually) of costs for this program. The remaining 50% (\$1,000,000/annually) is funded through non-Federal sources.





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THE IDA ADMINISTRATOR MAY RETAIN A COPY OF THE IDENTIFICATION AND SOCIAL SECURITY CARD IN THE PARTICIPANT’S ELIGIBILITY FILE. IF THE COPY IS RETAINED, THE IDA ADMINISTRATOR MUST REDACT ALL BUT THE LAST FOUR DIGITS OF THE IDENTIFICATION AND SS NUMBERS. SEE SECTION 1100 FOR INFORMATION REGARDING INTERNAL CONTROLS..... 11

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