

Establishing Sound Asset Purchase Practices

Session Overview:

Interested in making sure your AFI Project's asset purchase policies reflect sound practice in the best interests of participants? Concerned about the obstacles and support needs your participants may face when preparing for their asset purchases? Learn a new asset purchase approach and tracking tool and review effective practices so that asset-purchase process works well for your participants.

Session Purpose:

This session will provide participants with tools and resources for developing policies and procedures that will facilitate the asset-purchase process.

Session Objectives:

By the end of this session, participants will be able to:

- Define and relate roles and responsibilities of an AFI IDA project sponsor, AFI project participant, and asset vendors in the asset purchase process.
- Identify areas of support and assistance needed by participants to achieve key milestones leading up to the asset purchase.
- Understand AFI guidelines impacting asset purchase withdrawals.
- Explain categories of policies and procedures needed to facilitate the asset purchase.
- Describe and develop the forms and systems needed to facilitate the asset purchase, including areas that integrate into existing service delivery.
- Identify typical obstacles that may impede purchase and approval processes.
- Develop plans for troubleshooting obstacles as they arise in the purchase process.
- Identify tools and methods of using asset purchase as a time to evaluate, celebrate, and offer final support for asset retention.

Preparation for Session:

- 1) Review the milestone sketch activity and sample.
- 2) Review AFI regulations relating to asset purchase.
- 3) Prepare an index card or Post-it note for each table with one of the three asset goals listed on it for milestone sketch small group activity.

Note: This guide assumes that most participants are involved in implementing AFI or other IDA programs. If there is a significant proportion of participants who are not actively implementing an IDA program, the facilitator should recast the exercises and discussion to more general asset-building terminology but keep the emphasis on the steps—and potential impediments—on the path from setting saving goals to asset acquisition and retention.

Time Estimate	Activity and Facilitation Notes	Reference Materials
10 min	<p>Activity #1: Framing the Issues around asset purchase (large group discussion)</p> <p>ASK: Has anyone in the room had account holders purchase an asset so far? What was it like?</p> <ul style="list-style-type: none"> ✓ <i>Stressful</i> ✓ <i>Rushed</i> ✓ <i>Last-minute details</i> ✓ <i>Issues because we weren't sure what to approve</i> ✓ <i>Problems issuing checks</i> ✓ <i>Participant had last-minute loan problems</i> ✓ <i>Exciting time</i> ✓ <i>Happy time</i> ✓ <i>Celebratory</i> <p>ALTERNATIVE ASK [If no one responds that they have had an asset purchase occur]: How have you prepared for asset purchase, how do you anticipate it will go?</p> <ul style="list-style-type: none"> ✓ <i>Photo opportunity</i> ✓ <i>Haven't thought about it</i> ✓ <i>Have planned the process on paper; only thought through how the check will be processed</i> ✓ <i>Not sure what to anticipate</i> <p>Ask: What does a successful asset purchase look like? How would you recognize it?</p> <ul style="list-style-type: none"> ➤ List responses on a blank flip chart. <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ Emphasize the most important aspect of the asset purchase—it is a success! Not only for participant, but also for the AFI project sponsor. It is the result of hours, months and in many cases, years of effort on the part of the AFI project participant and the grantee organization. Congratulate all those in the room who have achieved this with participants. ▪ Affirm that all the challenges and obstacles reported are also typical of the AFI IDA experience but can be mitigated or avoided in some cases with the creation of policies and procedures that anticipate these challenges. ▪ The first step in developing an effective process for asset purchase is to define what a successful purchase looks like and then try to support the conditions that will engender that. 	<p>Participant Workbook Page 1</p> <p>PPT 1</p> <p>Flip chart for responses</p>
10 min	Activity #2: Laying the Groundwork for policies and	PPT 2

	<p>procedures (Large group discussion)</p> <p>Introduction The visual supports the main idea of the practice recommended in this session—the graphic illustrates the fundamental process occurring in an IDA project. Specifically, the IDA serves as a catalyst that capitalizes on the account holder’s strengths and mitigates the account holder’s weaknesses to enable the account holder to enter the asset marketplace of the community. This sequence represents what happens overall in the timeline of the IDA for the participant, and the asset purchase represents the final bridge to be crossed for entrance into the asset marketplace. It is helpful and essential to take into consideration the circumstances of the account holder <u>and</u> of the asset marketplace when designing the project and preparing policies and procedures for purchase.</p> <p>ASK: Given this description of the process, what are some key factors in your policy and procedure practices that might impact asset purchase success?</p> <ul style="list-style-type: none"> ➤ List responses on a flip chart: Examples: <ul style="list-style-type: none"> ● Initial enrollment requirements ● Completion of financial education and/or asset training ● Credit repair progress ● Savings regularity ● Various kinds of documentation <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ Reinforce key ideas in responses that relate to <ul style="list-style-type: none"> ○ clear expectations for all involved, ○ streamlined process for purchase logistics as well as for participant readiness, ○ and indications of participant readiness. ▪ Emphasize the twofold elements of a successful asset purchase: <ul style="list-style-type: none"> ○ <i>PROCESS</i> integrated throughout the IDA flow ○ <i>STATEMENT OF POLICIES AND PROCEDURES</i> ▪ Reinforce that an effective process for asset purchase (i.e. policies and procedures) is rooted in the experience and anticipations of the AFI Project Participant and is shaped to facilitate opportunities and minimize obstacles. ▪ Emphasize that there are 5 questions that set up a framework for a successful asset purchase process. [Read through the questions on the slide.] <p>ASK: The IDA as Catalyst image delineates the three primary players in the asset purchase—the participant, the</p>	<p>Participant Workbook Page 2</p> <p>Flip Chart for responses</p> <p>PPT 3</p> <p>PPT 4 Participant Workbook Page 3</p> <p>PPT 5 Participant Workbook Page 4</p> <p>Flip chart for</p>
--	---	---

	<p>your assigned asset goal, do any specific points to structure policies or procedures jump out at you?</p> <ul style="list-style-type: none"> ➤ List responses on the flip chart. <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ The idea here is that if we sketch the flow of activity to reach milestones, points for support for participants, and points where project staff needs input/approval then we have identified the skeleton of the purchase procedures and policies. ▪ In this way, we structure policies and procedures that take into consideration the experience of the practitioner all along the preparatory process, when we share the forms and “rules”, etc with participants, it is likely to work more smoothly and seem reasonable and even helpful to them, not punitive or bureaucratic, etc. ▪ Finally, this sketch serves as our starting point, but not the only point, for information needed to gather and be clear about before developing an effective purchase practice, one that supports a successful purchase for your participants. ▪ Another key factor that leads to success—a process that follows the rules of AFI! 	
<p>20 min</p>	<p>Activity #4: AFI Regulations and How They Shape Policies and Procedures</p> <p>Preparation: Flip chart paper and markers for each table.</p> <p>ASK: What are some general guidelines around asset purchase that are stipulated in AFI regulations?</p> <ul style="list-style-type: none"> ➤ List all responses on a flip chart; correct any inaccuracies. ➤ Reference Participant Workbook, pages 15-18, for summary (once brainstorming is complete). Review key items here, using PPT slides to structure the discussion—if time. <p>Small Group Activity Instructions:</p> <ol style="list-style-type: none"> 1) Refer to page 15 in the Participant Workbook to review the AFI guideline listed there for the asset goal to which you were assigned. 2) Take 5 minutes to brainstorm both policy statements and key procedures to ensure proper adherence to this guideline. 3) Pick a 2nd guideline from those on the flip charts and repeat the 5 minute brainstorm. <p>Note: Participant Workbook page 6 and PPTs 14-16 show this activity for the retirement example. This example is available for further explanation in the event the task seems unclear.</p>	<p>Participant Workbook Page 13</p> <p>Flip Chart for responses</p> <p>Participant Workbook Pages 15-18 PPT 8-12</p>

	<p>Note: If there is a good number of workshop attendees with established policies and procedures, consider two alternate approaches to this activity:</p> <ol style="list-style-type: none"> 1) Have those with policies and procedures sit together, share 2-3 processes or guidelines for an asset purchase goal they use and discuss strengths and weaknesses of each. 2) Keep those with policies and procedures at tables with others and invite them to share these in the brainstorming activity noted above. <p>Solicit small groups to share.</p> <ul style="list-style-type: none"> ▪ Invite each table to share one policy or procedure idea for their assigned guideline. ▪ If there are multiple tables focused on the same asset goal, try to ensure that these tables are not repeating the same policy or procedure idea as another table during their presentation. ▪ Invite other suggestions or ideas as well as issues that may arise during the implementation of the policy and procedure ideas. <p>Note: During this discussion, this is another opportunity to invite those with established policies and procedures to share insights about the ideas based on their experience.</p> <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ Hopefully this exercise has solidified this process for you, for use with your project at home, from milestone sketching to drafting policies and procedures out of that. ▪ We'll wrap up the workshop with a few other key details about the asset purchase period. 	<p>Capture examples on flip chart</p>
<p>30 min (replaces 20 min from above)</p>	<p>Activity #4 (Alternative #1): Using Obstacles to Generate Key Policies and Procedures</p> <p>Instructions:</p> <ul style="list-style-type: none"> ▪ A second level of this activity offers an opportunity to yield an effective set of policies and procedures for a successful asset purchase—anticipating obstacles and developing methods to address them, pre-emptively. ▪ In your same small groups, take 5 minutes to brainstorm obstacles that account holders may experience while preparing for the purchase of the asset you were assigned. ▪ Select one obstacle; take another 5 minutes to brainstorm as many resolutions to this obstacle (policies and procedures) as you can. <p>Solicit small groups to share.</p> <ul style="list-style-type: none"> ▪ Invite each table to share the list of obstacles 	<p>Participant Workbook Page 13</p> <p>Flip chart for</p>

	<p>brainstormed.</p> <ul style="list-style-type: none"> ▪ Note which obstacle was selected and share one policy or procedure idea for their assigned guideline. ▪ If there are multiple tables focused on the same asset goal, solicit responses on the selected guideline for those who would be repeating. ▪ Invite other suggestions or ideas as well as key issues for implementing the policy and procedure ideas. <p>Ask: What obstacles seem insurmountable? Which are most likely to occur? Which will be most devastating for the participants? And which obstacles can your organization most likely help them overcome? [Choose among these questions to process the information and transition.]</p> <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ Obstacles are an inevitable occurrence in an AFI IDA project, for the participant and for project staff; employing any kind of process that anticipates obstacles in any aspect of IDA design and implementation is a worthwhile endeavor. ▪ Additionally, assessing the relative impact, likelihood of occurrence, and capacity for addressing them is valuable in refining asset purchase practices and maintaining smooth operations at a critical time in the project. ▪ Project policies and procedures, when amendable over time and when crafted to anticipate and circumvent obstacles, will yield greatest success for your participants. 	<p>responses</p> <p>Flip chart for responses</p>
<p>10 min</p>	<p>Activity #6: Remember that asset purchase is a time to evaluate and celebrate.</p> <p>ASK: As we discussed at the start of this workshop, asset purchase is a mark of significant achievement, the end of project participation and also a time of excitement, what are some other activities we should remember and capture in this time?</p> <ul style="list-style-type: none"> ✓ <i>Evaluation and program exit survey to capture account holder opinions and other input that helps to measure outcomes</i> ✓ <i>Public relations opportunity to share project success with the larger community via media outlets</i> ✓ <i>Time to celebrate with the account holder</i> ✓ <i>Time to commemorate account holder and project success</i> ✓ <i>Time to recognize the achievements of the account holder</i> ✓ <i>Opportunity to set account holder up with post-purchase resources and next steps</i> 	<p>Participant Workbook Page 19</p> <p>Flip Chart for responses</p>

	<p>✓ <i>Opportunity to update funders on direct effects of their investments</i></p> <p>ASK: What are some ways that you have done this effectively in your own program? ALTERNATIVE ASK: What are ways that you have seen projects do this effectively or what are ways that you plan to do this in your project?</p> <p>➤ List responses on flip chart.</p> <p>Summary and Transition:</p> <ul style="list-style-type: none"> ▪ So we've sketched the support and approval points throughout the asset preparation process. ▪ We've explored the details of AFI regulations related to purchase and how that structures procedures and policy. ▪ We've discussed the fundamental order to all of this—first look at the process from the point of view of the participant and then structure procedures and allow policies to follow from that. ▪ We've discussed obstacles and other challenges that may arise during this process. ▪ Finally, we've explored ways to evaluate and celebrate at this wonderful and exciting time that is a mark of achievement and success for everyone involved. 	<p>Flip Chart for responses</p>
<p>5 min</p>	<p>Activity #7: Closing</p> <p>Evaluation and Thanks:</p> <ul style="list-style-type: none"> ▪ Reminder to Use Milestone Sketching Activity in the crafting of their own effective asset purchase practices. 	<p>Evaluations PPT 17</p>