Launching Your AFI Project:
Savings, Economic Education, Asset Purchase

New Grantee Orientation Webinar Series

November 30, 2016

Stephanie: Hello everyone welcome and thank you for joining the third webinar in the grantee orientation series, Launching Your AFI Projects: Savings, Economic Education, and Asset Purchase. In this webinar you will learn about basic AFI fundamentals and requirements that relate to the savings, economic education and asset purchase stages of the typical client journey.

So this webinar will be led by myself, Stephanie Landry, a Program Manager at CFED, and Alicia Hadley, a Senior Program Associate at CFED.

Before we get started I'd like to go over a few housekeeping items. You have the choice of dialing in with your phone or listening to the webinar through your computer. Select the appropriate audio option on the GoToWebinar control panel. You can ask a question at any time by using the chat box on your GoToWebinar control panel. If you experience any technical difficulties please type a question into the GoToWebinar interface or email us at slandry@cfed.org and we will help you trouble shoot them.

Please keep in mind that this webinar is being recorded. We've muted all attendees to insure sound quality so if you have any questions or issues please type them into the query box. We will make a recording and transcript of this presentation available on the IDA resources website, the address of which is on your screen at a later date.

This webinar will last approximately 90 minutes with time for questions and answers in the middle and at the end. Feel free to type those questions in the box at any time.

So in the last webinar you learned about the requirements and practical considerations around the requirement, enrollment and application phases. If you missed that webinar go to the AFI resource center to view the slides, transcript and recording. You need to know those basics since you will be using them from the beginning of the project. Today we will continue our review of AFI program fundamentals and requirements. We will discuss AFI requirements of the savings, economic education and asset purchases phases and practical considerations to think about as you design these phases. Finally we will share insights on how you can utilize policies and procedures and client facing paperwork throughout your AFI project.

This webinar will provide you with the guidance and tools to be successful. First we'll detail the AFI requirements that all grantees must follow and practical considerations to think about while following these requirements. This illustration depicts the typical stages the participant completes during his or her IDA journey. Although not all AFI IDA projects follow the exact course of steps laid out in the image on your screen, the six stages in a common AFI IDA project are requirement, application, enrollment,

economic education, saving and asset purchase. It may be helpful to think about your project design in terms of all the steps an IDA participant takes.

In this webinar we will focus on the requirements AFI has for grantees for the second three of these stages, economic education, savings, and asset purchase. We will then offer some practical considerations as you begin to think about how best to design these stages for your IDA project. You'll note that the text on the slides is sometimes black and sometimes orange. The black font indicates AFI requirements, these are things you must follow to be compliant. The orange text indicates practical considerations, these are not requirements but are important to think about as you implement your AFI grant.

All AFI grantees must manage their project in accordance with the AFI Act and federal grant policies including the HHS Grants Policy Statement. Links to these resources are shown on your screen. Now I will turn things over to Alicia to get things started.

Alicia: Hi everyone, today we'll start with economic education. Over the next several slides we'll talk about the requirements and considerations you see on your screen. The requirement around economic education period is to assist participants in obtaining the "skills and information necessary to achieve economic self-sufficiency." These considerations include services provided, timing and method.

The AFI legislation directs the AFI program to consider specific capacities of entities that apply for an AFI spending award with include how well the award applicant has presented a full array of support available to its potential participants to successful purchase a qualified asset as well the experience and capacity of the award applicant in working with potentially eligible individuals as well the applicants ability to offer support services.

Once an award applicant has become a grantee the AFI legislation directs the grantee to assist participants in obtaining the skills and information necessary to achieve economic self-sufficiency. Please note that the AFI legislation address expectations of the grantee to offer services that will support it's project's participants. The AFI legislation is silent on expectations of the participant related to taking advantage of those services.

AFI does not set details of economic education requirements. Your AFI grant application included a proposal of these services, be sure to review and adhere to your accepted application. Successful projects commonly offer general financial education in addition to asset specific education to participants. However you choose to provide financial education be sure that the participants acquire the skills they need to manage their money and save during the IDA process as well as maintain their asset after purchase.

When designing your financial education program you should consider the following. The number of hours required for both general and asset specific training, it's important to strike a good balance with your education requirements. You want your participants to be able to learn about personal financial and tools they will need to succeed with their asset purchases but you also don't want to overburden them and set up barriers that keep them from completing the program.

Next, consider the curriculum. The curriculum that you choose will be very helpful into helping your target population succeed. It is important that the curriculum you choose is appropriate for your target

population and take into account language and other cultural issues. Other factors in choosing your curriculum include literacy levels, age and life experience.

Finally, consider delivery method. Will your financial education be delivered online, in person or a combination of the two? Once again you should consider what works best for your target population. For example, if you serve a rural population where it would be very burdensome for participants to come to an in person training you may want to allow participants to complete some or all of their financial education online or it may suit your population best to have an in-person financial education training taught by an experienced instructor.

Lastly you should consider provider whether IDA project staff or an outside organization, if you have capacity within your organization you may want to provide financial education in house. If not, you may need to partner with a financial education provider in the community. This provider must be skilled and have an understanding of the target population and be culturally sensitive and aware. Some financial institution partners may have staff that are available and able to deliver financial education as well. Also, consider the schedule, availability and frequency of supportive services offered. Again, it is important to strike a good balance and not make these requirements burdensome while also helping savers gain the skills and knowledge to build their financial wellness.

Whatever the answers to these questions they should be detailed in the savings plan agreement and reviewed with all IDA holders. The link in the slide will provide you with resources to plan and deliver financial education for you AFI IDA participants.

Some economic education and support services that grantees commonly provide either directly or through referrals or partnership arrangements are shown on this slide. The first one you see is supportive services such as financial counseling or coaching or post-purchase support. This provides an opportunity to deliver tailored support to each participant including defining and making mid-savings adjustments with participants on their savings plans, addressing any individual issues such as debt that may impede successful asset purchase, navigating the asset purchase process and proving access to resources post purchase.

The second one you see is asset specific education. This helps to insure that participants are ready for purchasing, owning and maintaining the asset for the long term. Asset specific training focuses on home ownership, for example visiting a housing councilor; small business development, for example taking business development courses; or preparing for post-secondary education, for example visiting a guidance counselor. Please note if a participant has a business capitalization goal they are required to prepare a business plan and have that plan reviewed by a qualified entity. Grantees should have a plan to connect business IDA holders with qualified support services. We'll talk about this requirement a little bit later in more detail.

The final thing you see on your screen is savings monitoring and support which are also held up to the discretion of the grantee. Missed deposits may signal that an account holder is struggling and may jeopardize his or her ability to make an asset purchase within a five year project period. Regular communication with participants and the availability of support services help them navigate these challenges and avoid emergency withdrawals if possible, ultimately staying on track for asset purchases.

Now we'll switch back to Stephanie to talk about considerations for saving.

Stephanie: Great, thanks Alicia. So the next step in our journey is the savings period. Over the next several slides we'll talk about the requirements and considerations you see on your screen. Requirements around the savings period include in deposits coming from earned income, match rates, limitations on match rates, providing match deposits quarterly and emergency withdrawals. The considerations include verifying earned income, setting match rates, choosing a parallel account structure and monitoring savings progress.

First let's talk about earned income. The requirement is that participants may only deposit earned income into their IDAs. This means that participants cannot deposit money received from government benefits or child support into their IDAs. For example, [00:11:58] (unclear) funds do not count as earned income. The consideration is around how and when you verify that your participants have earned income.

Grantees commonly verify the availability of earned income for deposits during the eligibility screening. Remember that this does not mean eligible applicants without earned income cannot open an AFI IDA. Perhaps this client is also enrolling in a workforce development program and so anticipates having earned income soon. That person may open an AFI IDA as long as they pass the income and wealth eligibility requirements. However, they cannot begin saving in their IDA until they have secured earned income.

Another key AFI program requirement is the match rate. Grantees must match participants earned income IDA deposits with the combined federal and non-federal project funds. There are three key requirements around the match rate. First grantees may set the match rate within the following range, at least one dollar and as much as eight dollars of project funds for each dollar of participant savings. Second at least one dollar of non-federal funds must be used to match participant savings for every one dollar of federal funds used to match participant savings. Finally no more than $2,000 of the federal funds from on AFI grant may be provided to one individual and no more than $4,000 to one household. No matter what the match rate a single participant can only be matched up to a maximum of $2,000 in federal funds per grant.

Now for some considerations around setting your match rate. This table shows how varying your match rate effects the amount that a participant has to save to obtain the full federal and non-federal matches. Setting your match rate and appropriate level for your project and your participants is critical for success. Two things to keep in mind. First as you determine your match rate consider that setting it too low may hinder your participants from saving enough money to purchase their asset goal. Second, the match rate can be set at different rates for the three different types of IDAs home ownership, education or business. Communicating the different rates to participants is very important so that there is a clear understanding that if they move from one type of IDA to another the match rate may change.

When setting your match rate you need to balance the realistic cost of the asset, your participants ability to save, the length of time they will have to save and the total number and types of asset purchases your project is committed to. The first link in the slide offers ways to think about this balance as you review the match rate for your project.

Another thing to know is that grantees may formally request to change their match rates during the course of the five year project period. To make any design change official you must make a request to your AFI program specialist. There is a template for a design change request with supporting questions

to help you prepare. You can find this template and description of the request project at the second link on the slide.

The next requirement is around grantees obligation to provide match deposits. At all times during the savings process there must be sufficient funds to match the savings of the current IDA holder. Be aware that AFI grants operate under a different set of cash management rules than most grants. Section 4.10 requires grantees to match participant deposits with federal funds not less than once every three months either by depositing the match funds into the participant savings account, into one parallel account, or into individual parallel accounts. Therefore grantees must have sufficient federal and non-federal cash on hand to cover obligations to participants.

Grantees are to obligate match funds to the IDA holders as the match funds accrue not just the asset purchase. For example if you have five participants who have saved a total of $3,000 at the end of quarter one and your match rate is three to one you transfer $9,000 to the parallel account for that quarter proportionately obligating the amount of the match to each IDA holder. That $9,000 is an equal combination of $4,500 in federal funds and $4,500 in non-federal funds. The minimum requirement is to transfer funds quarterly, you may transfer more often if you like.

There are three different methods to match funds. Grantees can deposit match funds directly into the participants IDA account however this is not a common practice because it becomes logistically cumbersome. Grantees can also deposit match funds into parallel accounts either one for all participants or one parallel account for each participant. A single parallel account to allocate participants matched funds every three months is preferred for logistical reasons instead of a parallel match fund account for each participant.

This parallel account services an important purpose. It helps insure that you tracking your IDA holders' savings activity on a regular basis and have sufficient federal and non-federal funds on hand to cover the potential match for each account holder. Deciding how you handle the disbursement of obligated match funds is an important project management decision both from the aspect of internal efficiencies of project management as well as meeting your commitment to your IDA holders in the AFI program.

There are some common considerations for developing and using your parallel account with internal and external stakeholders. First, working with your financial institution partner. When setting up your project's parallel account be sure to discuss the following considerations with your financial institution partner. Match withdrawals will be made out of the parallel account and transfers will be made at least quarterly between the reserved funds and the parallel account. Discuss how the transfers and withdrawals will be made and be aware of any associated fees or limitations. Sometimes financial institutions waive transactional fees related to these projects. Consider requesting this of your partner if appropriate.

Next working with your organization's finance staff. Prepare your finance team to oversee the parallel account by discussing the following consideration. The parallel account may build up a significant balance over the life of your five year AFI grant, at least 85% of federal and non-federal funds remain unexpended until participants make their asset purchases. Match withdrawals will be made directly from the parallel account and the information from the parallel account will help when completing the SF-425, the standard form required for semiannual financial reporting as using the parallel account correctly helps you to clearly keep track of obligated and unobligated match funds. We will discuss the SF-425 and other reporting requirements during the next webinar.

Now we'll talk about the requirements around emergency withdrawals. IDA participants may withdrawal all or a portion of their savings from their IDA for an emergency. These emergency withdrawals may only be for the following three reasons. First medical care for the account holder, a spouse or dependents of the account holder. Second, housing payments that prevent eviction or foreclosure of the account holder's primary residence. Or third, necessary living expenses of an account holder following loss of employment.

Account holders must pay back what they withdrew. The amount withdrawn must be returned into the IDA no later than twelve months after the day of emergency withdrawal. If the account holder does not reimburse the amount withdraw within that period the grantee is expected to rescind the match funds previously obligated for this amount. Grantees are expected to review these emergency withdrawal requests on a case by case basis and to create a process for withdrawal as well as reimbursement.

There are two main considerations grantees should think through around emergency withdrawals. The timeline and other support you could provide to participants seeking an emergency withdrawal. First, the time line. The AFI legislation allows for emergency withdrawals to be redeposited within twelve months. However, be sure to consider your project period end date. If your grant is ending in six months you may have to require a participant to redeposit their funds more quickly. And other support. Many grantees build support services around their IDAs such as regularly engaging participants who not saving as planned which could prevent participants from seeking emergency withdrawals in the first place or offering those seeking an emergency withdrawal alternative resources to address the emergency in lieu of a savings withdrawal.

There are a couple other considerations grantees should think about that will impact a participant's saving period. How savings occur and is monitored is up to the grantee organization's discretion. AFI only requires that participant savings derive from earned income and that they participant in your project for a minimum of six months before making a withdrawal for asset purchase. AFI does not have a requirement around monthly, regular, or lump sum deposits. Any requirements around the frequency and amount of deposits is up to the grantee. You may decide that it is very important to your project for participants to develop a savings habit and therefore require monthly deposits. Or you may want to be more flexible and individualize the deposit requirement based on your IDA participant's life circumstances or irregular income pattern. You may choose to allow large lump sum deposits. Grantees commonly allow for these around tax time.

It is also important to monitor your participants' savings progress closely. Missed deposits or deposits less than the targets you agree upon in your savings plan agreement may signal that an account holder is struggling and may jeopardize his or her ability to make an asset purchase within the five year project period. Regular communication with the participants allows you to help them navigate challenges and ultimately stay on track for asset purchases.

So we know that's a lot of information so we're going to break here to see if you have any questions around the requirements and considerations in the asset purchase, I'm sorry, before we move onto the asset purchase phase, to see if you have any questions around the savings and economic education phases. If you do, go ahead and type those questions right into the query box on your GoToWebinar interface.

Alright so we do have a couple questions coming in. So one says you stated before that only $4,000 per household can be used. Would a husband and wife qualify separately? So the way that this requirement

works is that $2,000 of federal funds or $4,000 of federal funds can be used. The $2,000 is for an individual, the $4,000 is for a household and those are the maximum. So a husband and wife could both have an IPA account, they would have to have separate accounts and each have their own earned income that they could deposit into that account. As long as they meet the other income and net worth eligibility requirements that would be fine.

Then let's see, we have another question about if IDAs need to be some type of custodial or trust accounts and what the specific requirements around the type of account is. So the important thing to know about these IDA accounts is that they need to be withdrawal restricted. It's important that the name of your organization as well as the name of the participant is on these accounts so that participant can't withdrawal their savings except with your permission, with your written permission whether that's at emergency withdrawal time or whether it's at asset purchase time. So the way that grantees commonly set this up is like the question asks either a custodial or a trust account and that way you can make sure that with your financial institution partner that participants won't be able to access their funds without your express, written permission.

Alright, so we're going to go ahead and move onto the next section. For those of you whose questions I did not answer I will go ahead and reach out to you individually after this webinar. As we keep on going through these stages and the requirements, keep typing your questions into that query box. So now I will turn things back over to Alicia.

Alicia: Great, thanks Stephanie. As you can see up on the screen the last step in the participant journey is asset purchase. Over the next several slides we will address the requirements and considerations of asset purchase that you can see on your screen. Requirements around the asset purchase period include withdrawal of funds and the six month minimum, qualified asset purchases, qualified payments and the business plan. Considerations include executing matched withdrawals, the number and frequency of matched withdrawals and transferring to a dependent.

Withdrawals from the IDA are limited to two purposes, asset purchase which we'll talk about more in detail in the next couple of slides, and to cover expenses and specific emergency situations which we just discussed. All withdrawals must be approved in writing in advance by a responsible official at the grantee organization. No withdrawals for asset purchases may be made from the IDA for the first six months from the date of opening the account.

AFI allows for three asset savings goals. First -home purchase, postsecondary education or training or business capitalization. Grantees can choose to offer one, two or all three of these qualified assets in their project. Additionally a few savers will chose to transfer their IDAs to a dependent or spouse to be used for one of these three asset purchases. Each asset purchase goal has more specific requirements in the legislation which we'll discuss in the next couple of slides.

Participant saving for postsecondary education expenses may use their matched withdrawals for tuition and fees required for the enrollment or attendance of a student and fees, book, supplies as well equipment required for courses. The matched withdrawals should be paid directly to an eligible educational institution which is an institution of higher education or post-secondary vocational education school as defined in the Higher Education Act of 1965 and the Carl D. Perkins Vocational and Applied Technology Education Act.

Next, first-home purchases. These AFI IDA funds may only be used for a first-time home buyer who is a person who has no present ownership interest in a principal residence and has not had such ownership in a home for the prevision threes from the date of acquisition of a home with the IDA. For first time home purchases savings and match can be used for the account holders' main residence where the acquisition costs do not exceed 120% of the average area purchase price for a similar residence. Qualified cost mean those for acquisition, construction, or reconstruction of the residence as well as a usual or reasonable settlement, finances, or other closing costs. The IDA funds may be paid directly to the person who the amount are due.

Last, business capitalization expenses. These funds may only be used for a qualified business which is one that operates legally and does not violate any law or public policy. Business IDA savings and match may only be dispersed with an approved business plan which we'll talk about more on the next slide. The expenditures of the IDA become qualified expenses when they are included in the business plan. Expenses may include capital, plants, equipment, working capital and inventory. But they're not limited to these. These funds should be paid directly to a business capitalization account established in a federally insured or state insured if federally insured is not available financial institution and restricted to use for qualified business capitalization expenses.

Business IDA savings and match may only be dispersed with an approved business plan. The expenditures of the IDA become qualified expenses when they are included in this business plan. The qualified business plan must be approved by either a financial institution, a microenterprise development organization or a non-profit loan fund. A qualified plan includes a description of services or goods to be sold, a marketing plan and projected financial statement. The plan may also require the IDA holder to be assisted by an experienced business adviser.

Finally, transfer to IDAs of family members. IDA savings and correlated match can paid directly into the IDA of the account holders spouse or dependent which is defined by whether the account holder would be allowed to deduct under section 151 or the IRS code of 1986.

So to recap we just reviewed the AFI Acts specific requirements for each asset type and each asset purchase. Grantees build their match withdrawal procedures around these requirements and commonly use several review steps to insure compliance. These review steps include: creating and using withdrawal request forms that all participants complete. These forms also often ask for specific supporting documentation.

Another step is reviewing and approving the purchase request and document. For this step you should consider your internal process to check the request forms for accuracy and compliance with all requirements. Additionally grantees include a financial staff review of the request and a confirmation of balances in the parallel account to pay the match amount. You will then work with your financial institution partner to cut checks or initiate electronic fund transfers of both participants' savings in the IDA and commiserate match from the parallel account.

Another useful step is grantee program staff following up with participants to insure that the purchase was completed and to ask for any post purchase information.

There are other considerations that affect grantee organization's processes governing asset purchases including the number and frequency of matched withdrawals. Participant saving for a post-secondary

education and business capitalization commonly make multiple mass withdrawals. Participants buying homes typically make one at the time of purchase.

Some participants may wait to make a mass withdrawal until after they have reached their savings cap while others may request withdrawals along the way using their available balance and request match. They then continue to save and make another withdrawal using only a portion of the total maximum savings allowed. AFI grantee staff must monitor these types of transactions consistently to insure that those making multiple withdrawals do not exceed the federal match limit of $2,000.

You should also consider when there might be times in the year with a higher number of withdrawals request and insure that your staff are fully prepared. For example post-secondary education savers commonly request matched when tuition is due which is typically in August through September and January and December.

The second consideration you see on the screen is the transfer of savings of IDA of a family member. AFI grantees find this allowable use to be especially valuable when working with youth. The parents or guardians may open the IDA initially and save towards the maximum allowed and then as the young person nears the age of a postsecondary educational program the IDA is transferred to him or her for a mass savings withdrawal related to tuition, fees and other school expenses.

Finally although the asset purchase is the last step of the IDA program there are several steps you can take earlier, starting at the time of participant's enrollment to minimize the challenges or obstacles to success asset purchase. Here are examples of practices some grantees use. Explain the matched withdrawal and account asset purchase process and the savings plan agreement and other project documents. Provide a detailed checklist of the documents required for each asset purchased to help participants organize their paperwork in advance.

Monitor participant savings progress and talk with those who are nearing their goal about the process for making a matched withdrawal and about asset related support services. For example home ownership readiness classes or technical assistance related to entrepreneurship. Make sure the approved and matched fund payment processes are timely because participants often have a deadline related to their asset purchase, for example registration and the first day of classes for those with a post-secondary education program. Have a formal project exit process and insure that you get proper authorization to close participants IDAs and handle leftover savings, if any.

That completes of the AFI requirements and considerations. Again, we know this is a lot of information but it's important to be aware of the requirements of the later stages even at the beginning of your grant so you can be fully prepared. I will now hand it over to Stephanie to discuss policies and paperwork.

Stephanie: Great, thanks Alicia. So the last thing we'll discuss on this webinar is developing internal policies and procedures and external paperwork.

AFI projects that do well take time to think through and write down policies and procedures early in the game. A policy is a principal to guide decisions and achieve an intended outcome. As a statement of intent it is implements as a procedure. Once policies are established you should write procedures describing how your organization implements its policies as well. Written internal AFI IDA project

policies are important because they insure that processes and rules are clear and applied consistently for all participants. They also help create institutional memory so that if there is staff turnover new staff can quickly get up to speed on the project policy. These policies should include requirements of the AFI project as well as your internal projects based on your project design.

Through this orientation series we've made mention of various policies, procedures, and paperwork that grantees should consider. This slide lays out several key areas for which you should have written policies and procedures including participant eligibility; proof of earned income and application requirement; asset specific requirements; a business plan approval process; economic education requirements; savings monitoring and case management; procedures for withdrawals, both qualified asset purchases, emergencies and termination; data collection; partnership and oversight; and an agency policy for participant complaints.

Here are some of the key paperwork or forms your participants will likely have to use at some point while participating in your AFI project including perhaps a prescreening eligibility tool, an application including network calculation forms, an account opening form from your financial institution partner, a savings plan agreement, an emergency withdrawal form, and an asset purchase withdrawal form. There are many resources available at the AFI resource center to help you create your policies, procedures and paperwork. Some of those resources are linked on your screen.

So we know that that's a lot of information and so we're at the end of the content and we just wanted to see what questions you all have. So go ahead and type your questions into the query box and we'll see which ones we can answer. We do have a couple coming in.

One person asks if the IDA can purchased in several segments, for example could a student use it for two different tuition costs spanning two semesters. The answer is yes, your participants can certainly make multiple asset purchases, this is pretty, this is not terribly common for home ownership because generally its one big withdrawal and purchase for closing costs or something like that but for student's grantees commonly will make multiple asset purchases for tuition of different semesters, just always keep in mind your timing. You have, the participant needs to have the account open and saving for at least six months and you have you five year project period to complete these asset purchases and also to be very careful with that maximum amount that we talked about, that $2,000 of federal funds per person, per grant. If your participants are making multiple asset withdrawals just make sure that you're aware of where they are and that they're not exceeding that maximum amount.

Alright so we've got a question about matching participants' deposits quarterly and that parallel account structure. This person wants to know about the logistical complications that make it less advisable to deposit our match directly into the IDA. So again, to remind you there are three different options to provide this matched deposit quarterly, one is directly into the participant IDAs, one is one parallel account for all of your participants and then the last is individual parallel accounts for each participant.

So grantees do not often and we would not recommend deposing that match directly into the participant IDAs because for a couple reasons, one of which the participants then could potentially access those funds even if you have the account set up as custodial account or a trust account there's always that potential for human error and that your participant would be able to withdrawal their matched funds without your permission and it's really important as a grantee you maintain your fiduciary responsibility for these funds and to the AFI program.

The second is that that's a lot of transfers that you're going to make quarterly depending on how many participants you have you could be making hundreds of transfers every quarter from your reserved fund into each of those accounts. Then you'll also have to, in the event that a participant makes an emergency withdrawal you would have to transfer any obligated match amounts out of their IDA account and back to the reserve account quarterly. So typically we see grantees using one large parallel account so that it's one transfer each quarter and that it's just a net amount that your participants have saved and withdrawn.

So a couple more questions coming in. One is asking if you have to have tax forms to verify income. The legislation does not specifically lay out what the specific documentation that you need to have to show that you make sure your participants are eligible. Grantees typically will see the pay stubs from their participants, tax forms are especially helpful from looking at if the participants have qualified for EICP, which as you might remember from our previous webinars is one of the ways to pass that income test. So tax forms can be really helpful because they have a lot of information at the household level. But the AFI legislation does not specifically require grantees to collect those forms just that you have in some way verified and documented eligibility.

So one question about how funds typically move from the parallel accounts to the participants. So this is specific to each grantee, the process varies a little bit and it's going to be a process that you should talk about with your finance staff and also your financial institution partner. Typically what I see that grantees is one withdrawal being made from the parallel account for the matched dollars and another withdrawal being made from the participant IDA so this could potentially mean two checks that get issued to either the school or to the business capitalization account or whoever those closing costs or whatever they happen to be go to for a home ownership. There are also ways to do with wire transfers or electronic funds but that, like I said the process is specific to each grantee and how you set it up with your finance team staff and your financial institution partner.

A question around generally how long do most grantees to draw down their funds, for example two years from the first deposit date and especially in regards to education participants, this again is something that varies widely by the grantees. The only requirements within the AFI legislation is that the IDA account must be opened for six months from the initial deposit. So the amount of time that AFI projects require the project that they could be a minimum of six months and really the maximum up to your project period as long as you build in enough time for people to actually complete their asset.

Generally speaking as far as education participants goes I've seen things as short as six months where it's like a really quick turn around and you have youths saving over maybe the summer and a couple more months and then immediately cashing out for their fall tuition and then I have seen projects that do longer, one or two years depending on the participant and their ability to save. So this is also something that's really specific to the grantee.

Alright, so there are a couple more questions out there that are a little bit specific to the grantee who has posed that question. So for those of who whose questions I did not get to I will reach out to you individually after this webinar. Just wanted to remind you all about the fourth and final webinar in the grantee orientation series before we sign off today and if you have any remaining questions go ahead and type those in over the next slide or two. So webinar four on Data and Reporting will be held on Wednesday, December 14th and we'll explain the types of reports you are required to file and the reporting date. The webinar will also include a discussion of using data to manage your project. So please tune into that one.

As always we just wanted to provide you once again with the contact information for the AFI resource center which is really a great place to go with your questions. Alright, and I don't see any more questions coming in at the tail end, so we just wanted to thank you all so much for participating and enjoy the rest of your day.