**MATCHED SAVINGS PROGRAM POLICIES**

**BACKGROUND**

**Ministry Name (XYZ)** believes that every individual has a God-given right to support his other family through hard work and wise financial decision-making. **XYZ**has chosen matched savings accounts, also called Individual Development Accounts (IDAs) as a means of economic empowerment. However, we recognize that success is about more than having financial resources. Success is having a whole life that functions harmoniously in all areas including: spiritual, familial, relational, and economic. We have designed **XYZ**with this in mind. Through financial education, mentoring, peer group support, asset specific education, and matched savings, participants have an opportunity to see growth in all spheres of their lives.

**OBJECTIVES**

**XYZ**wants to see growth and stability in both the lives of households and their communities across time. Through **XYZ**individuals and families can increase their assets and confidence. This helps promote intergenerational economic stability. Economic stability means self-sufficiency without dependence on public assistance or unsecured debt for ongoing living expenses. Financially sound households have the ability and commitment necessary to make investments in their communities through economic advancement and civic participation. When this happens, everyone benefits.

**Ministry Name (XYZ)** **RESPONSIBILITIES**

**Ministry Name (XYZ)** agrees to provide:

**Personal Finance and Money Management Workshops:** to offer an 11-week personal finance and money management workshop series called *Faith and Finances*.

**Account Statements:** to provide the participant with a timely and accurate monthly account statement, listing accumulated savings, earned matches and account activity.

**Confidentiality:** to protect the participant’s privacy by securing personal and financial records and keeping all such information confidential within **XYZ**for the exceptions provided for in the Program Evaluation Waiver.

**Match Funds:** to match the participant’s savings, up to $ , per participant per program year of participation, with no less than a ***\_\_*:*\_\_*** savings match rate until, by mutual agreement of the participant and**(XYZ)**, the participant purchases his/her chosen asset. The individual match rate for each participant shall be determined on a case by case basis with a minimum rate of ***\_\_*:*\_\_*** and a maximum rate of ***\_\_*:*\_\_***

**Feedback:** to take the opinions and concerns of the participant seriously and allow input from participants, as a group, to shape future policy and procedures.

**PARTICIPANT RESPONSIBILITIES**

The Participant agrees, on penalty of removal from the program:

**IDA Opening:** to open an IDA savings account at **Sun Trust Bank** or **Church Koinonia Federal Credit Union**.

**Monthly Deposits:** to deposit a minimum of $ **.\_\_\_** every calendar month from his or her earned income (income from received as a wage or through self-employment).

**Personal Finance and Money Management Workshops:** to attend the *Faith and Finances* 11-week personal finance and money management workshops, actively participate in all workshop discussions and exercises, and complete all activities.

**Asset Specific Training:** to attend additional educational and training workshops appropriate to his or her selected asset goal, as determined by **XYZ**.

**Mentoring:** to meet with his or her champion; in the event a participant should have due cause to miss a meeting they should both provide notice and reschedule in advance.

**Confidentiality:** to respect the right to privacy of all ministry participants by keeping confidential any personal or financial information divulged in the course of the Ministry.

**Change of Address/Employment:** to provide **XYZ**with updated personal information in the event of a change of address, phone number, or emergency contact information.

**Feedback:** to provide helpful encouragement and critiques to **XYZ**as is appropriate.

**Evaluation and Research:** to participate in evaluation and research as specified.

**MUTUAL UNDERSTANDINGS**

Both parties understand and agree that:

**Qualified withdrawals** are only available for the ministry’s stated permissible uses (list here: for example: home purchase or repair, small business start up or expansion, post secondary tuition and/or expenses, and participant’s primary vehicle.) Other permissible uses will be considered on a case by case basis in consultation with the participant and **XYZ.** Qualified withdrawals are only available to the participant in accord with the ministry’s qualified withdrawal policy and procedure.

**Emergency withdrawals** are discouraged and only available to the participant in accord with the ministry’s emergency withdrawal policy and procedure.

**Participation requirements / terminations:** the participants may be asked to leave the program for missed monthly savings deposits, poor workshop attendance, unauthorized savings withdrawals, or for other violations of this agreement.

**Account ownership:** matched savings accounts will be owned jointly by the participant and **XYZ**both parties will have access to all account activity information and neither party can withdraw funds without the other’s written consent.

**Interpersonal Relationships:** at all times to treat one another with the dignity and respect as made in God’s image.

**EMERGENCY WITHDRAWALS**

Participants in **XYZ**are strongly discouraged from taking emergency withdrawals from their IDAs; however, we understand that financial emergencies do arise. Participants are required to discuss their situation with his or her champion. After discussing their emergency, participants may take emergency withdrawals in accordance with the following policies and procedures under the following circumstances:

1. to prevent or forestall the eviction of a participant or a participant’s family from their residence;
2. to prevent foreclosure on a participant’s primary residence;
3. to pay for critical health care services for a participant or a participant’s family member;
4. to pay for critical living expenses, such as food supplies or heating expenses, following a participant’s loss of employment; or
5. to prevent repossession of an automobile (highly dependent on the situation).
6. Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Forfeiture of Match:** Participants who make emergency withdrawals will forfeit any match money earned on the withdrawn funds. These match monies may be re-earned if a participant makes future IDA deposits; however, any future matches will accrue under the terms of the match structure in place at the time of deposit.

**Emergency Withdrawals and Excess Funds:** Some participants may deposit more money in their IDA account than is match-eligible. In the event of an emergency withdrawal, these excess funds will be drawn down prior to match-eligible funds being drawn down.

**Alternatives to Emergency Withdrawals:** In the event that a participant applies to make an emergency withdrawal and **XYZ**Advisory Committee does not approve the request, that participant may choose to:

1. make do without the emergency withdrawal and continue participating in **XYZ**as before;
2. withdraw from the ministry and receive a full refund of all deposits and interest, but jeopardize any possibility of future participation; or
3. apply for a leave of absence, which still requires emergency withdrawal procedures be followed to access funds, but would provide a planned respite from the obligation to make monthly IDA deposits.

**Request Procedure: NCS** participants who are in need of an emergency withdrawal should follow this procedure:

1. complete and submit an *Emergency Withdrawal Request Form* **to XYZ**;
2. schedule a meeting with your mentor to discuss the financial crisis that has created a need for the withdrawal and to review alternative strategies to resolve the crisis;
3. during this meeting: revise your savings plan so that you can replace withdrawn funds as quickly as possible; then
4. make arrangements with the ministry to facilitate the withdrawal of funds from the IDA financial institution depository; remember that jointly owned IDAs will require the signature of a **XYZ**representative.

**LEAVE OF ABSENCE**

**XYZ**has developed the leave of absence policy described in this section in recognition of the fact that **XYZ**participants may, from time to time, be faced with circumstances that make regular IDA savings impossible for a limited period of time. Leaves of absence are designed to give participants the opportunity to weather short-term financial crises, regain their financial equilibrium and ability to save, and remain a part of the **XYZ**. As a part of the leave process, **XYZ**mentors will work with participants to create a strategy to respond to the financial crisis that precipitated the leave request. Leaves of absence are not appropriate for participants who are experiencing chronic rather than temporary financial crisis and are not able or willing to work on a strategy for being able to make regular IDA savings deposits in the foreseeable future.

**Eligibility:** participants who have fallen behind **two (2)** months in making monthly savings deposits, and who have demonstrated a commitment to **XYZ**by remaining in contact with their mentors and developed a plan to work toward consistent saving, may be eligible for a leave of absence.

**Procedure:** participants who have fallen behind **two (2)**months in making monthly savings deposits and meet leave of absence eligibility requirements may request a leave as an alternative to being dismissed from the ministry as follows:

1. complete a leave of absence request form and submit it to **XYZ**. Forms must; include reasons a leave request and dates of a proposed leave;
2. meet individually with your mentor to create a strategy for a return to regular; savings and to discuss requirements for ministry reentry;
3. continue in the mentoring process as originally planned;
4. upon re-entry, **XYZ**should prepare an IDA account statement to reflect the returning participant’s updated account balance.

**Status while on Leave:** participants who are on leave will not accumulate match funds and will not receive monthly account statements. However, participants who are on a leave may keep their IDA account open, are expected to attend on-going peer support and personal finance meetings, and will remain on the ministry's mailing list. While on a leave, participants may make deposits directly into their IDA accounts as they did prior to going on leave, however this money will not be match eligible.

**Duration:** leaves of absence may be for as little as **one (1)** calendar month and as long as **six (6)** calendar months.

**Limit on Number of Leaves:** There is no limit on the number of leaves that a given participant may take. However, a given participant is only eligible for up to **six (6)**total leave months throughout their participation in the ministry.

**QUALIFIED WITHDRAWALS**

**Qualified Assets** - **XYZ**is designed to help participants acquire productive assets and/or increase the value of productive assets they already hold. In particular, participants may use their IDA savings and match funds for the following expenses:

1. To purchase a primary residence - including a house, pre-fabricated house, condominium, or land on which a home will be built. In the case of a land purchase, a participant must have demonstrable plans and financing to place a home upon the land within twelve (12) months of the land purchase date, but this requirement will be reviewed on a case by case basis in consultation with the participant and **XYZ.** The participant must be planning to live in the home. Acceptable IDA uses include contributions to a down payment, lending costs or fees, or other closing costs (home inspections, attorney’s fees, title searches).
2. To repair, expand or renovate a primary residence - work must be on a property owned and lived in by the participant and must increase the value and/or practical utility of the property. Acceptable IDA uses include contractor’s fees, design or license fees, and the cost of building permits or building materials.
3. To capitalize a small business - expenditures for initial inventory, business equipment, marketing or other start-up costs are permissible provided all expenditures follow from a structured, realistic business plan.
4. To expand or stabilize an existing small business – primarily expenditures for business equipment, or other planned business expansion efforts. Generally speaking, IDA funds should not be used to replenish inventory or cover other on-going operating expenses (such as payroll or occupancy costs) unless such expenditures are part of specific and well-reasoned plan to return an ailing business to viability within a reasonable timeframe. Under no circumstances should IDA funds be used to delay the demise of a business that has no reasonable prospect for survival.
5. To pay tuition for a post-secondary educational program - tuition should be toward a degree or course of study that can be reasonably expected to improve an IDA participant’s prospects for employment and/or earning potential.
6. To cover expenses directly related to post-secondary tuition - including school fees, book or certain school supplies (necessary lab equipment, for example, in the case of a natural science curriculum).
7. To purchase a car – the car must be in good running condition and meet all city, state, and federal required emission testing standards. In order to determine the car’s dependability, it must be inspected by a licensed, reliable prior to its purchase.
8. To purchase some other productive asset – other requests for asset purchases will be considered on a case-by-case basis. Please see a ministry representative to discuss this option if you wish to pursue an asset that is not described here in these Policies and Procedures.

**Form of Payment:** Qualified withdrawal requests will be filled in the form of a vendor check made payable to businesses or institutions providing elements of participants’ asset goals; in no case will matching funds be issued directly to participants. When possible, qualified withdrawal checks should be issued in the precise amount of asset-related purchases. For example, payments for tuition expenses should be made for the exact amount billed by a school or training program. In the unusual situations where it may not be possible to issue payment for precise amounts, any unused IDA funds must be returned to **XYZ**as soon as possible.

**Payment Documentation:** In general, qualified withdrawal requests must be accompanied by detailed documentation of the planned purchase or expenditure. In particular, the following forms of documentation are necessary for each category of asset purchase:

1. Home purchase - a copy of a purchase and sales agreement, mortgage approval letter and documents, any relevant bills (attorney, home inspector, etc.)
2. Home repair, expansion or renovation - a copy of contractors’ estimates (at least two) when professional contractors are to be involved, appropriate building permits (when required), and/or written building material estimates if an IDA participant plans to purchase and use building materials him or herself.
3. Business start-up - a copy of the participant’s business plan, and written estimates for the cost of services or products to be purchased for the business (including plans for securing required business licenses).
4. Business expansion or stabilization - a copy of the participant’s expansion or stabilization plan, a copy of the business license, and written estimates for the cost of the services or products to be purchased for the business.
5. Education –a tuition bill from the school or training program as well as a description of the degree program or course of study (a course catalog may suffice).
6. Educational expenses - documentation that the IDA participant has been accepted into an education or job training program, a written description of the program (course catalog, for example), documentation of how the participant will pay tuition expenses, and a written estimate of, or bill for, the educational expenses for which IDA funds will be used.
7. *Any other documentation that your ministry deems necessary*.

**Request Procedure:** As a general rule, IDA participants should request qualified withdrawals as far as possible in advance of the date funds are needed. Although the withdrawal request procedure will vary to some extent based on the type of asset to be purchased with IDA funds, several phases are involved in all qualified withdrawal requests:

1. Have sufficient funds in the account – participants must have accumulated enough personal savings in their IDA so that, when combined with the match, they can cover the proposed asset purchase.
2. Attend personal finance money management workshops - prior to any qualified withdrawal requests, IDA participants must have graduated from these personal finance workshops
3. Save for the minimum time requirement - participants must have at least **twelve (12)** months of saving before being eligible for a qualified withdrawal. As a practical matter, it is unlikely that any IDA participant will have accumulated sufficient funds to purchase an asset goal without having saved for at least this required period of time.
4. Attend asset-specific training - prior to submitting any qualified withdrawal request, all participants must have participated in the asset-specific training appropriate for their asset goal.
5. Develop and submit an asset-plan - as part of the preparation for a qualified withdrawal, all participants will be expected to create a plan of which their asset purchase will be a component.
6. Seek individual counseling or guidance - participants are encouraged to discuss their asset plans with IDA ministry mentors at any point in the saving process. This input may help participants clarify their goals.
7. Qualify for financing - for asset purchases that require financing other than IDA funds, participants should apply and receive approval for the loan needed to make the asset purchase possible. If your asset purchase requires some sort of credit line, a credit check will be done at the beginning of the ministry, followed by the necessary credit counseling.
8. Find or shop for the asset - because qualified withdrawals must be in the form of vendor checks, participants must have specific purchase plans. In addition, participants should use the timeframe afforded by the long-term saving process to make the most informed and wisest purchase choice possible.
9. Submit qualified asset withdrawal request form - at least ten business days before IDA funds are required. The qualified withdrawal request form must be submitted with all of the appropriate documents listed herein.

**SIGNATURE OF AGREEMENT**

By signing below, I acknowledge that I have read, understand, and will abide by the policies and procedures set forth above. I recognize that failure to abide by these policies can result in termination from the program.

Participant’s Name (please print): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Participant’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_