



Invitation for CDCs to Apply for Financial Opportunity Center Planning Grants

Local Initiatives Support Corporation (LISC) Phoenix seeks applications from community development corporations (CDCs) for support to assess their feasibility of joining the LISC Phoenix Financial Opportunity Center (FOC) Network and plan for program alignment. CDCs that are funded through this grant and successfully complete the assessment process may be invited to join the LISC Phoenix FOC Network and apply for future program capacity building funding.

Background

The mission of Local Initiatives Support Corporation (LISC) is to help nonprofit community development corporations (CDCs), neighborhood residents and other local groups transform distressed neighborhoods into sustainable communities of choice and opportunity—good places to work, do business and raise children. LISC Phoenix was formed in 1992 and since its inception, has played an important role in the gradual rebirth of a number of blighted neighborhoods throughout metropolitan Phoenix. Working in collaboration with grassroots organizations, LISC Phoenix and its corporate, foundation and public partners, has created an innovative approach to addressing neighborhood problems in distressed, low-income neighborhoods.

The FOC Network is an initiation of LISC, focused on improving the financial lives of individuals and families who have limited wealth, income and employment opportunities. Promoting and investing in a model of integrated service delivery, LISC is seeking partners interested in transforming their employment advancement, income enhancements and financial capability/asset building programs into higher performing, data-driven models with integration at the center. Successful applicants will demonstrate commitment to fully integrating workforce, financial capability/asset building and income supports while adhering to the best-practice model, outlined below.

Below are examples of the benchmarks that serve as the basis for our outcomes:

- People placed in Jobs
- Employment retention – 90 days
- Employment retention – 180 days
- Employment retention 365 days
- # of Combined Financial Assessments (CFAs)
- Subsequent CFAs
- Improved Credit Score
- Increase in Monthly Net Income
- Increased Net Worth
- Number of clients receiving two out of three and three out of three core services

Financial Opportunity Center Model Overview

A sign of a thriving community is that residents feel confident that their lives will improve, their incomes rise, and their job prospects widen while they are living there. LISC is committed to helping residents achieve economic stability. However, achieving economic stability—a combination of adequate income, liquid, and long-term assets and good financial management behavior—is a process that builds upon itself, and requires long-term planning and commitment from individuals, families and non-profit partners.

Economic stability can be defined as:

- Sufficient family income for daily living expenses, enough to address minor emergencies and save longer-term asset accumulation.
- Sufficient financial assets to weather unexpected events and invest in the future.
- Transferrable employment skills that lead to higher paying jobs or a smooth transition to a new job if employment is terminated.
- Smart debt that contributes to a positive credit history, with market-rate interest, that leads to appreciating assets (such as a house) or that can be paid off in a reasonable period of time.
- Good relationships with mainstream financial institutions and the ability to easily access credit at mainstream rates.
- A plan for post-secondary educational opportunities for themselves and/or their children.
- Realistic opportunity for retirement at age 65, with income beyond just Social Security.

The FOC model focuses on improving the financial bottom line for low to moderate-income families and helping people change their financial behavior in ways that encourage a long-term commitment to increasing income, decreasing expenses, building credit and acquiring assets. FOCs accomplish this primarily through a Coaching Model, utilizing client-centered, goal oriented one-on-one coaching to help FOC clients make incremental progress toward the FOC network's primary outcomes of increased net income, increased net worth and increased credit scores. (Coaching is described in more detail below.) In order to accomplish this, FOCs provide families with three core program services:

Employment placement and career pathways support

The ability to find or transition to livable wage jobs—is the basis for a family's financial security. Employment services are often the main platform on which most Centers are based, and include basic job readiness, essential skills training, industry-specific skills training or other post-secondary education, placement and/or career advancement. Successful FOCs have a robust employment services program and ability to source and place FOC clients in jobs. FOCs focus on training, education and employment opportunities in industries that offer career pathways to family sustaining income and opportunities for advancement. Some organizations, depending on the population, may need to provide contextualized bridge education to help connect individuals at lower educational levels to skills training programs.

Financial education and coaching

While each Center varies in its implementation of financial education and coaching, the core model is similar across sites. All Centers offer one-on-one financial coaching, which focuses on solving specific problems or crises, such as high debt or eviction prevention; and then working—through a coaching relationship—on long-term financial interventions. Most, but not all, Centers

also offer group-based financial education in addition to one-on-one coaching, which provides general information on a range of topics, such as budgeting and developing savings plans. Finally, Centers help clients connect to mainstream financial service providers and free tax preparation services when possible.

We believe financial coaching is the best technique in partnering with individuals and families to achieve their goals. Though Center staff are versatile enough to help clients fix an immediate problem, the coach's key role is to work with clients to establish a vision of financial stability, develop financial goals, and hold the client accountable for achieving those goals. The coach's ongoing encouragement and support helps to make it easier for clients to stay on a consistent asset building course that leads to economic stability.

Income supports access

FOC clients are employed or will become employed with the help of the FOC, but at program entry, their wages and benefits are often insufficient to meet their daily needs. Income supports, such as SNAP (Supplemental Nutritional Assistance Program), the EITC (Earned Income Tax Credit), housing or childcare assistance, play a key role in helping working families manage their everyday living expenses. While individuals may want to access public benefits, the system itself is cumbersome and complicated, making it difficult for working people to access the benefits for which they qualify. Successful FOCs assist clients with accessing income supports by: helping them understand benefit eligibility, making sure they understand the steps to complete applications correctly, and advocating for them during the application process with agencies that administer the benefits.

These three core services are integrated and delivered to clients in a bundled fashion to provide a multi-faceted approach to income and wealth building. Different from collaboration, that many non-profits expertly navigate, integration in the FOC model also influences how services are organized in an organization's physical space. Applicants should have a dedicated facility where clients can access all three core services without traveling to different locations. Therefore, integration is purposely built into program design, staff communication plans, data collection and service delivery so clients can benefit from multiple reinforcing services and systems that contribute to their overall financial stability. Bundling of services is central to the FOC model and clients' success.

Who are FOC clients?

FOCs are designed for people who are working or want to work, who have the ability to set and follow through on longer-term goals. The FOC model is not designed to focus on people who are in crisis. That does not mean that clients may not experience periodic crises but that at entry into the FOC they are stable enough to follow through on appointments and can focus on the economic mobility goals central to the FOC model. For example, a person who has been chronically homeless should seek services from a housing organization and achieve a stable living situation before seeking services at an FOC.

Priority neighborhoods

Preference will be given to activities which take place along the light rail and major transit corridors in Mesa, Tempe and Phoenix where LISC Phoenix funding can leverage existing partnerships and assets.

Accessibility

Applicants should expect and be open to changing their current client flow and service model, both at entry into the FOC network and over time to meet the needs of clients and in response to outcome data. FOCs should also have accessible hours (such as evenings or Saturdays) in order to accommodate the schedules of working people.

Grant period and amount

Grant funding of \$9,000 can cover a three-month planning grant within the period of July 1, 2018 through December 31, 2018. All grant deliverables must be completed by November 30, 2018 to be eligible for 2019 program operations funding.

Grant deliverables

The purpose of this grant funding is to assess an organization's feasibility of joining the LISC Phoenix Financial Opportunity Center (FOC) Network and plan for program alignment. All recipients will be expected to:

- Have the program director and key staff attend a two-day service delivery model training hosted by LISC.
- Each month, use a provided template to report on the unique number of clients who have received services in financial education and coaching, employment placement and career pathways support, and income support access.
- At any time during the project period, provide one client success story and photo in a provided template.
- By the end of the first month, complete an initial client workflow including identifying current staffing, partnerships, tracking methods, reporting requirements and confidentiality concerns and meet with the LISC FOC Program Officer to review.
- By the end of the second month, identify gaps in the program current alignment with the FOC model and propose how those gaps will be addressed if invited to join the FOC Network.
- By the end of the third month, develop a proposal to join the LISC Phoenix FOC Network including scope of work and budget.

Eligibility to apply for funding

To be eligible to apply for LISC funding, an organization must meet the following threshold criteria:

- Must have the capacity to offer workforce development, financial coaching, and public benefits access services in a neighborhood-based location
- Must serve low-income communities and target low-income individuals.
- Must have core funding in place for their basic operations. Funding will not be provided for start-up organizations. It is anticipated that the organization will already have funding in place through its normal course of business that can be used as match for the FOC.

- The applicant organization must demonstrate the capacity and willingness to implement the Salesforce data tracking system, to be coordinated through LISC—even if the organization currently uses another data tracking system for similar services.
- Must have a tax exception ruling from the IRS under 501 (c)(3) or (4) of the Internal Revenue Code
- Must conduct an annual audit through an independent certified accountant
- Must provide the following financial materials: financial audits for the past 3 fiscal years, current operating budget and current budget to actuals, and current list of funders (other additional materials may be requested)
- If subject to an A-133 audit, must submit the A-133 Audit to the federal Audit Clearing House within 9 months after the close of the CDC's fiscal year
- Be actively registered in the System for Award Management (SAM) at <https://www.sam.gov/portal/SAM/#1> and maintain an active SAM registration during LISC grant term
- Must not be excluded, debarred or suspended from doing business with the Federal government (as evidenced in sam.gov)
- Must be current with Federal tax obligations
- Must have an accounting system which segregates grant revenues and expenditures; Organizations must track their LISC grants separately in their accounting systems and must be able to produce general ledgers, balance sheets, and other accounting records that demonstrate that grant expenses are segregated for each federal grant.
- Must have an employee timekeeping system that records and certifies how much time the employee spends on the LISC funded project. Timesheets should be prepared at least monthly and coincide with one or more pay periods. Documentation must include actual compensation (i.e., payroll records).
- Must have written Personnel Policies and Procedures that have been recently updated and approved by the Board.
- Must have written Procurement Procedures that meet federal regulations.
- Must have written Finance and Accounting Policies and Procedures that have been recently updated and approved by the Board.

Application requirements

Use the provided grant application. Applications and attachments are due to dbraham@lisc.org by August 10, 2018.