



## **CALMONEYSMART GRANT APPLICATION - FISCAL YEAR 2021-2022 WITH INSTRUCTIONS**

The following application and information are provided for organizations which are applying for a grant from the CalMoneySmart Program, funded by the Financial Empowerment Fund, established under Financial Code Section 24000, et seq. (<https://rb.gy/03bscl>). The CalMoneySmart Program and the Financial Empowerment Fund are hereinafter collectively referred to as CalMoneySmart.

### **GENERAL INFORMATION**

Senate Bill 455 (Ch. 478, Stats. 2019) was signed into law on October 2, 2019. This law (the Act) established CalMoneySmart to provide grants of up to \$100,000 to specified nonprofit organizations for financial education and financial empowerment programs and services for the unbanked and the underbanked. The Act requires the Department of Financial Protection and Innovation (Department) to administer the application process and award grants of up to one hundred thousand dollars (\$100,000) to each grant recipient each fiscal year until CalMoneySmart sunsets on January 1, 2025. Each fiscal year begins on July 1 and ends on June 30. The Department may award up to \$1,000,000 each fiscal year until CalMoneySmart sunsets on January 1, 2025.

The Federal Deposit Insurance Corporation (FDIC), in its biennial survey of “How America Banks: Household Use of Banking and Financial Services,”<sup>1</sup> found that 5.4% of American households are unbanked and that an additional 16.6% of households were underbanked in 2019. The unbanked and underbanked percentages are the lowest ever recorded since the survey started in 2009.

However, due to the COVID-19 pandemic, California and the U.S. will likely see an increase in the rate of unbanked and underbanked households. According to the FDIC, “changes in the socioeconomic circumstances of U.S. households over time have contributed to changes in the unbanked rate,” which is particularly concerning given the current economic conditions and the rate of unemployment nationwide. The 2013 FDIC survey “found that one in three households (34.1%) that became unbanked in the past 12 months experienced either a significant income loss or a job loss that contributed to their becoming unbanked.”

Unbanked is defined to mean that no one in the household has a checking or savings account. Underbanked is defined to mean the household had a checking or savings account and used one of the following products or services from an alternative financial services (AFS) provider in the 12 months preceding the Survey: money orders, check cashing, international remittances, payday loans, refund anticipation loans, rent- to-own services, pawn shop loans, or auto title loans.

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1 <<https://www.fdic.gov/analysis/household-survey/2019execsum.pdf>

## **ELIGIBILITY**

To be eligible for a grant, an applicant (applicant, organization, nonprofit, nonprofit organization, and applicant nonprofit organization are hereinafter collectively referred to as Applicant) must meet the following criteria:

- (1) The Applicant is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is organized and operated exclusively for one or more of the purposes described in Section 501(c)(3) of the Internal Revenue Code; and
- (2) No part of the net earnings of the Applicant shall inure to the benefit of a private shareholder or individual.

## **GRANT PURPOSES, ALLOWED USES**

Those awarded a grant (Grantee(s)) shall only use grant monies for the following financial education and financial empowerment programs and services for the targeted unbanked and underbanked populations:

- Designing, developing, or offering, free of charge to consumers, classroom or web-based financial education and empowerment content intended to help unbanked and underbanked consumers achieve, identify, and access lower cost financial products and services, establish or improve their credit, increase their savings, or lower their debt.
- Providing individualized, free financial coaching to unbanked and underbanked consumers.
- Designing, developing, or offering, free of charge to consumers, a financial product or service intended to help unbanked and underbanked consumers identify and access responsible financial products and financial services, establish or improve their credit, increase their savings, or lower their debt.

## **CRITERIA REQUIRED TO BE MET BY PROGRAMS AND PROJECTS FUNDED BY GRANT MONEY**

Every project funded with a grant from the Financial Empowerment Fund shall meet all of the following criteria:

- (1) Promote and enhance the economic security of consumers.
- (2) Adhere to the five principles of effective financial education described in the June 2017 report issued by the federal Consumer Financial Protection Bureau titled “Effective financial education: Five principles and how to use them.” These five principles are:
  - a. *Know the individuals and families to be served;*
  - b. *Provide actionable, relevant and timely information;*
  - c. *Improve key financial skills;*
  - d. *Build on motivation; and*
  - e. *Make it easy to make good decisions and follow through.*

- (3) Include one or more specific outcome targets.
- (4) Include an evaluation component designed to measure and document the extent to which the project achieves its intended outcomes and increases consumers' financial well-being.

### **OTHER PROGRAM REQUIREMENTS**

- (1) Grantees may use no more than 15 percent of the grant to cover administrative costs. Failure to comply with this requirement shall render the Applicant ineligible for a grant during the subsequent fiscal year and until the noncompliance is corrected. Administrative costs may include indirect costs attributable to the proposal, such as human resources, accounting, finance, business and facility operations, and information technology.
- (2) Grantees are required to submit a report, in a form and by a date specified by the Commissioner of Financial Protection and Innovation, documenting:
  - a. The specific uses to which grant funds were allocated,
  - b. The number of individuals aided through use of the funds,
  - c. Quantitative results regarding the impact of grant funding, and
  - d. Any other information requested by the Commissioner.Failure to submit a report shall render the Applicant ineligible for a grant during the subsequent fiscal year and until the required report is submitted.

### **APPLICATION TIMING AND PROCESSING**

Completed applications, including all required information, and supporting documentation, are due on or before **May 28, 2021**.

Incomplete applications, or applications submitted after the **May 28, 2021** deadline will **NOT** be reviewed or considered for a grant.

Applications will first be reviewed for eligibility and afterward analyzed by a Department committee. The Department will notify all Applicants in writing of its decision on the Applicant's application on or about August 1, 2021. If the Applicant is awarded a grant, the Commissioner will notify the Applicant of the amount of the grant. The Department will post the list of Grantees for the 2021-22 fiscal year on its website. The Commissioner's decisions regarding grant amounts and approved administrative costs are final and not subject to appeal.

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Applicants selected to be awarded a grant must submit to the Department a completed, signed DFPI Form EEO 101 CalMoneySmart Agreement (CalMoneySmart Agreement). Applicants must submit the completed, signed CalMoneySmart Agreement within five (5) business days of being notified that Applicant has been selected. Failure to submit the completed, signed CalMoneySmart Agreement within the specified five business day period will render Applicant ineligible for disbursement of the grant.

Applicants selected to be awarded a grant must submit to the Department a completed, signed Form STD 204, "Payee Data Record," within five (5) business days of being notified that Applicant has been selected. Failure to submit the completed, signed STD 204 form within the specified five business day period will render Applicant ineligible for disbursement of the grant.

Grant monies will be disbursed in full to Grantees on or about September 1, 2021.

### **APPLICATION CONTENTS AND SUBMISSION**

Applications and supporting documentation must be submitted to the Department electronically, by completing the online application, accessible at <https://dfpi.ca.gov/calmoniesmart-application-2021-22>, and attaching or uploading supporting documentation. The Department will not accept any paper applications or supporting documents. Submissions must include the items listed below and any additional items requested by the Department after having reviewed Applicant's submission. **Please respond to all requests for answers in narrative form in complete detail, as a separate attachment to the application. Narrative responses must be no more than two pages each, single-spaced, and in at least 10 font.**

- (1) Completed application, with all required information and supporting documentation specified; and
- (2) Certification, Declaration and Signatures. The Applicant shall certify and declare under penalty of perjury that Applicant agrees to specified terms and conditions included in this Application and the CalMoneySmart Agreement which Grantees must sign, as a requirement of receiving any grant funds. The Application and CalMoneySmart Agreement shall be executed by the Applicant's chief executive officer or other authorized officer, and the chairman of the board of directors.

**Applicant shall be required to return all or a portion of the grant funds including any investment earnings if the Applicant fails to use the funds as approved. Applicant will also be subject to enforcement activity for misuse of funds, including civil and criminal proceedings, damages, and penalties.**

**A. THE FOLLOWING DOCUMENTATION *MUST* BE ATTACHED TO THIS APPLICATION:**

1. Proof and status of a tax-exempt organization under Internal Revenue Code of 1986 section 501(c)(3), 26 U.S.C. § 501(c)(3), including a copy of a valid IRS 501(c)(3) determination letter and the most recent Form 990.
2. Documentation proving that the Applicant conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes. Documentation proving that no part of Applicant's net earnings benefits a private shareholder or individual.
3. A Certificate of Good Standing from the Applicant's state of organization, evidencing that the Applicant is active and in good standing. The certificate may not be dated more than ninety (90) days prior to the date of application submission.
4. A Certificate of Good Standing from the California Secretary of State evidencing that the Applicant is active and in good standing in California. The certificate may not be dated more than ninety (90) days prior to the date of application submission.
5. The organizational chart of the Applicant, a full description of the Applicant's mission and programs and major funding sources if not already included in Form 990. Include the names of directors and executive officers not already included in Form 990.
6. A copy of the Applicant's articles of incorporation.
7. Audited financial statements, if available; or if audited financial statements are not available, unaudited financial statements as of the most recent date should be submitted including balance sheets, statements of income, statements of changes in capital accounts and statements of changes in financial position.
8. An adopted budget, if available, for the fiscal year for which the Applicant is applying.
9. Most recent business or strategic plan. At minimum, the document should include your organization's mission statement, vision, and values statements, organizational goals, key performance metrics, and your target market, clients, or constituents.
10. List of the Applicant's board of directors including their occupations, cities of residence, and terms of office.
11. Resumes of key staff members (e.g., Chief Executive Officer, President, Operations Manager, Chief Financial Officer, etc.) of the Applicant.

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12. Disclosure of any civil, criminal, or regulatory action in which the Applicant or any current directors, officers, partners, limited liability corporation members, or management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees or the public. Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state, or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), complaint or filing, and the outcome.

For sections **B** through **E**, please include your answers, budgets, data, and other relevant information on separate documents attached to your application.

**B. PROGRAMS AND SERVICES PROPOSED BY APPLICANT**

**Choose One (1) or more of the following program categories:**

- a. Will Applicant provide free classroom and/or web-based financial education if awarded a grant? If so, please describe the program in full detail, specifying the dollar amount of the total grant requested intended to be used for classroom and/or web-based financial education.
- b. Will Applicant provide free, individualized financial coaching if awarded a grant? If so, please describe the program in full detail, specifying the dollar amount of the total grant requested intended to be used for individualized financial coaching.
- c. Will applicant provide a free financial product? If so, please describe the product in full detail, specifying the dollar amount of the total grant requested intended to be used for a financial product.

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1. Please attach all available proposed curricula and handouts for in-classroom courses. Please provide all available proposed web-based financial education, including any available test links.
  2. Describe Applicant nonprofit organization's previous experience providing programs and services similar or identical to those for which a grant is sought.
  3. Describe and provide data, if available, evidencing the results the Applicant has previously achieved in programs directed at the unbanked and underbanked.

For sections **B** through **E**, please include your answers, budgets, data, and other relevant information on separate documents attached to your application.

**C. GRANT AMOUNT REQUESTED, WITH PROPOSED BUDGET**

1. Specify the dollar amount of grant requested. Specify how much of the requested amount will be used for each program proposed. **Use the provided budget template** to create an itemized budget for each section and the overall total of the grant amount requested.
2. Specify the dollar amount of administrative costs requested. List the percentage of the requested grant amount to which the requested administrative dollar amount equates. **Use the provided budget template** to create an itemized budget for the dollar amount of administrative costs requested.



For sections **B** through **E**, please include your answers, budgets, data, and other relevant information on separate documents attached to your application.

**D. GROUPS TO BE SERVED OR TARGETED**

Describe by group type, geographic location, and size any target group(s) that the Applicant currently works with on a regular basis.

1. Provide a detailed description of the targeted population and demographics of individuals proposed to be served by programs and services funded with grant money.
2. Does Applicant have prior experience serving any particular demographic group, including by age, race, ethnicity, geographic location, military status, income level, educational level, disability status, homelessness or homeownership status, some of which fall disproportionately into unbanked and underbanked populations, or any other specific demographic type? If so, please specify the demographic group targeted or served. Quantify each demographic served by raw numbers and the percentage of the total.
3. Provide the estimated number of unbanked and underbanked persons to be targeted and served, by geographic area, with supporting data or research, if available.

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For sections **B** through **E**, please include your answers, budgets, data, and other relevant information on separate documents attached to your application.

**E. EVIDENCE THAT APPLICANT WILL MEET CRITERIA REQUIRED UNDER THE ACT**

Explain in detail in responding to the questions below how Applicant will meet each of the following criteria required by the Act. Include supporting research and data.

1. Promote and enhance economic security of consumers.
2. Adhere to these five principles of effective financial education:
  - a. Know the individuals and families to be served;
  - b. Provide actionable, relevant and timely information;
  - c. Improve key financial skills;
  - d. Build on motivation; and
  - e. Make it easy to make good decisions and follow through
3. Include one or more specific outcome targets.
4. Include an evaluation component using the following format to show the extent to which the project achieves its intended outcomes and increases consumers' financial well-being.

**PERFORMANCE MEASURES TABLE**

<b>OBJECTIVE</b>	<b>PERFORMANCE MEASURE</b>	<b>SUPPORTING DATA GRANTEE WILL PROVIDE</b>

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**REPRESENTATIONS, AGREEMENTS AND COVENANTS**

1. Applicant covenants that the responses, information, documentation, and representations submitted to the Department as part of this grant application are true and correct.  
 Yes
  
2. Applicant represents and agrees that Applicant complies with Government Code section 11135, does not and shall not discriminate against or deny full and equal access to the programs for which it has applied for a grant, on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation. Applicant further represents and agrees that, if selected as a Grantee, Applicant/Grantee shall continue to comply with Government Code section 11135 throughout the 2021-22 fiscal year for which a grant is awarded.  
 Yes
  
3. Applicant understands and agrees that every year, on or before the date specified by the Commissioner, Applicant will file with the Commissioner a report documenting the specific uses to which grant funds were allocated, documenting the number of individuals aided through use of the funds, providing quantitative results regarding the impact of grant funding, and including any other information requested by the Commissioner.  
 Yes
  
4. Applicant understands and agrees that the failure to comply with the requirements of the Act, including the submission of the required report and the limitation on administrative costs to no more than 15% of the grant amount, will render Applicant ineligible for a grant for the subsequent fiscal year and until any noncompliance is corrected.  
 Yes
  
5. Applicant understands and agrees that the Department and the State Auditor may conduct or require periodic audits to ensure Grantees are using funds consistent with the requirements and the terms of the Program and their grant proposal. Applicant understands and agrees that Grantees must retain all documentation and financial data necessary to substantiate the purposes for which the grant funds were spent for a period of three years after the fiscal year for which the grant was awarded. Applicant further understands and agrees that the Department may conduct site visits to any Applicant that is awarded a grant, with or without notice.  
 Yes

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6. Applicant understands and agrees that, if awarded a grant, the Department and the State of California shall not be liable for any claims, losses, costs, damages, or liability of any kind or nature, whether direct or indirect, arising from or relating to a CalMoneySmart grant and any project or program funded with such grant money.

Yes

7. Applicant agrees to notify the Department, within five calendar days, of any material changes to their financial condition, organizational structure or Application responses which occur between the date Applicant submits this Application and May 28, 2021.

Yes

8. If selected as a Grantee, Grantee will notify the Department within 30 calendar days of any material changes to their financial condition, organizational structure or Application responses which occur between the date of grant disbursement and June 30, 2022.

Yes

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**CERTIFICATIONS, DECLARATIONS AND SIGNATURE**

We certify, declare and agree with the Commissioner of Financial Protection and Innovation that, if the Applicant of which I am the Chief Executive Officer or other authorized officer, or Chairman of the Board of Directors, respectively, is awarded a CalMoneySmart grant and becomes a Grantee, Grantee shall comply with all provisions of the Act; will use the grant monies only for the intended purposes of the Act; and will use the monies only for the purposes and programs for which Grantee sought and obtained a grant, as described in Grantee's application.

I declare under penalty of perjury that I have read the foregoing application, including attachments thereto, or filed or uploaded therewith, and know the contents thereof, and that the statements therein are true and correct.

I certify and declare, on behalf of the Applicant, under penalty of perjury of the laws of the State of California, that I have read and understand the provisions of Division 10.5, California Financial Code Section 24000 et seq., and this application.

**I understand and agree that if the Applicant of which I am the Chief Executive Officer or other authorized officer, or Chairman of the Board of Directors, respectively, is awarded a CalMoneySmart grant, Grantee shall be required to return all or a portion of the grant funds including any investment earnings, if the Grantee fails to use the funds as approved. Grantee will also be subject to enforcement activity for misuse of funds, including civil and criminal proceedings, damages, and penalties.**

I further understand and agree that Grantee's use of the grant monies, including grant money used to pay administrative costs, is subject to examination and audit by the Department and by the California State Auditor, pursuant to Government Code section 88546.7. I understand and agree further that the office and location of programs for which grant monies are used are subject to site visits at any time, with or without notice.

No waiver by the Commissioner of any failure of the Grantee to comply with this Agreement shall be deemed to be a waiver of any failure to comply thereafter occurring.

This application and any grant awarded as a result of the application shall be governed by, and construed in accordance with, the laws of the State of California.

The Applicant has duly caused this application to be signed on its behalf by the undersigned, the Chief Executive Officer or other duly authorized officer, and the Chairman of the Board of Directors.

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Executed at:

City

State

Zip

Date:

Name of Applicant

Title: Chief Executive Officer or other duly authorized officer

Signature of Officer

Typed Name of Officer

Signature of Chairman of the Board of Directors

Typed Name of Chairman of the Board of Directors

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**The Department of Financial Protection and Innovation (DFPI's) Privacy Notice on Collection**

**The DFPI Collects and Uses Personal Information:** The DFPI collects the information requested on this form as authorized by Financial Code section 24001. The DFPI uses this information to evaluate a person's application for a grant from the Financial Empowerment Fund, authorized by Financial Code section 24000. Use of the personal information DFPI collects is subject to limitations contained in the Information Practices Act of 1977 and other applicable state and federal laws.

**Providing Personal Information Is Mandatory:** When providing information or documents, please do not include unrequested personal information such as a Social Security number, driver's license number, or financial information.

**The DFPI May Disclose Your Personal Information:** We may share your personal information with other state departments, the federal government or law enforcement. Your personal information may also be disclosed:

- a. In response to a Public Records Act request, as allowed by the Information Practices Act.
- b. To another governmental agency as required by state or federal law.
- c. In response to a court order or administrative order, a subpoena, or a search warrant.

**Your Access to Your Personal Information:** You may review the records maintained by DFPI that contain your personal information. To request access, contact: DFPI Privacy Officer, 2101 Arena Blvd, Sacramento, CA 95834, (866) 275-2677.