



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance
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May 29, 2007

To: Transitional Assistance Office Staff

From:  John Augeri, Assistant Commissioner for Field Operations

Re: **New Initiative: TAFDC - Individual Development Account (IDA) Program for Educational Advancement**

Overview

The Department of Transitional Assistance (DTA) and the United Way of Massachusetts Bay (UWMB) are working together to help active TAFDC clients reach lasting economic self-sufficiency and stability with the creation of the **Individual Development Account (IDA) Program for Educational Advancement**. The IDA program helps eligible TAFDC clients accumulate savings to be used for certain **vocational educational** training programs that qualify for the Federal PELL Grant Program.

Beginning May 29, 2007, the IDA program will be offered in 11 TAOs that cover the 64 communities (Attachment A) currently served by UWMB. The TAOs covering these locations are *Brockton, Dorchester, Framingham, Lawrence, Lowell, Malden, Milford, Newmarket Square, North Shore, Plymouth, and Revere*. **Clients must live in one of the 64 UWMB communities to participate in the program.** Clients served in the 11 TAOs who live outside of the UWMB communities would **not** be eligible for a referral.

UWMB developed an IDA brochure (Attachment B) to explain and market the program to TAFDC clients in the participating TAOs. A supply of the brochure will be sent to those TAOs.

Purpose of Memo

This New Initiative Memo:

- identifies who is eligible for referral to the IDA program;
 - informs TAO staff about the IDA program and how it works; and
 - outlines the responsibilities of AU Managers and UWMB representatives.
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The IDA Program
Who is Eligible for an IDA Program Referral?

To be eligible for referral, TAFDC clients must:

- be employed and meeting their Work Program requirement;
- have a high school diploma; or
- have a General Educational Development (GED) certificate;
- live in one of the UWMB communities; and
- be interested in furthering their education and training in a specified industry.

How the IDA Program Works

Clients referred to the IDA program will meet with a UWMB representative who will explain the program in detail and determine the client's eligibility to participate.

Once accepted, clients must sign an individualized ***Savings Plan Agreement***. The ***Savings Plan Agreement*** is a document used to outline the steps for each client to reach his or her career and savings goals. The Savings Plan will be monitored and managed by UWMB, and:

- Details the terms of the IDA savings account that the client is required to establish, including the client's right to withdraw his or her contributions to the account in approved emergency circumstances;
 - Identifies the client's approved vocational education or training program;
 - Outlines the costs of the education/training program; and
 - Details the client's required monthly savings and schedule of deposits.
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**The IDA Program
(continued)**
*How the IDA
Program Works*

Based on the cost of the vocational educational training program, each party, the client, DTA and UWMB will contribute up to \$2,000, for a total of up to \$6,000. DTA and UWMB contributions will be made to an escrow account separate from the client's established account. The time frame for the savings will be determined and detailed within a *Savings Plan Agreement*.

The IDA money will be used to pay for the expense of an approved vocational educational training program chosen by the client and outlined in a *Savings Plan Agreement*. When the client reaches his or her savings goal the money is paid directly to the vocational educational training program. Clients never have direct access to the DTA and UWMB matched funds.

Note: Clients have the right to withdraw from the IDA program at any time and receive the savings and accumulated interest from their IDA saving account. However, should a client withdraw from the program, the money maintained in the client's IDA savings account would become a countable asset for TAFDC.

Once accepted by UWMB to participate, clients are eligible to continue with the IDA program, even if the TAFDC AU closes.

**AU Managers'
Responsibilities**

AU Managers in the participating TAOs play an important role in identifying clients who meet the basic requirements for referral to the IDA program and encouraging those who qualify to meet with a UWMB representative. At any contact with clients who meet the criteria, the AU Manager should:

- inform the client about the IDA program and give him or her an IDA program brochure (Attachment B), once it has been verified that (s)he lives in one of the 64 UWMB communities listed in Attachment A of this memo;
- complete and sign and have the client sign a TAFDC - Individual Development Account Referral & Release of Information Form (Attachment C);
- give the client a signed copy of the TAFDC - Individual Development Account Referral & Release of Information Form and file the signed original form in the AU record.

For questions about the IDA program, AU Managers or clients should call Christopher LeBrun at: **617-787-3874, Ext. 228**.

**UWMB's Role
and
Responsibilities**

UWMB has contracted several community based agencies to act as UWMB representatives to coordinate and manage the IDA program. The UWMB representatives are responsible to market the program to referred clients and thoroughly explain program requirements.

UWMB representatives will:

- meet with a referred client and explain the benefit of the IDA program to obtain and pay for enhanced vocational training;
- explore the client's career goal(s);
- evaluate the client's financial history, including credit reports; and assess the client's ability to save money based on his or her current income;
- develop an individualized *Savings Plan Agreement*;
- obtain the client's signature on the individualized *Savings Plan Agreement*; and
- provide on-going financial education and assessment of the client's progress in the program to the Central Office designee.

Note: UWMB representatives are not expected to provide feedback to AU Managers.

Participant Requirements

Participants in this program must:

- meet each month with the UWMB representative to receive on-going financial education and assessment of his or her progress in the program. In special circumstances, such as travel distance for the client, arrangements may be made between the client and the UWMB representative to meet less often in person. Monthly contact by telephone will be required in those instances; and
- attend 12 to 16 hours of money management training courses. The financial education and training required by the IDA program will help TAFDC clients improve their financial skills.

IMPORTANT: Child care and transportation **will not** be available through DTA for clients to attend the required financial education and training sessions.

Participant's Completion of the IDA Program

At the end of the *Savings Plan Agreement* period, if the participant has accumulated the required savings, UWMB will send a check, which includes the participant's savings and the matched DTA and UWMB funds, to the vocational educational training program designated in the *Savings Plan Agreement*.

If at any time the participant is unable to contribute to the savings account, the UWMB representative may amend the *Savings Plan Agreement* and work with the participant further to achieve the savings goal.

No action or intervention with the participant in either situation is required of TAO staff.

Introduction of the IDA Program to TAO Staff

DTA and UWMB will have a commencement event at each of the 11 TAOs to introduce the IDA program to TAO staff. At these meetings, the UWMB representative will present the specifics of the IDA program and marketing suggestions for DTA staff. He will also answer questions from DTA staff.

Questions

If you have any questions, please have your Hotline designee call the Policy Hotline at 617-348-8478.

Attachment A

UWMB Qualifying Communities for the TAFDC IDA Program

Arlington	Natick
Bedford	Needham
Belmont	Newton
Boston	North Reading
Boxford	Norwell
Braintree	Peabody
Brookline	Quincy
Burlington	Randolph
Cambridge	Reading
Canton	Revere
Chelsea	Salem
Cohasset	Saugus
Danvers	Scituate
Dedham	Sharon
Dover	Sherborn
Everett	Somerville
Foxboro	Stoneham
Hingham	Sudbury
Holbrook	Swampscott
Hull	Topsfield
Lexington	Wakefield
Lincoln	Waltham
Lynn	Watertown
Lynnfield	Wayland
Malden	Wellesley
Marblehead	Weston
Medford	Westwood
Melrose	Weymouth
Middleton	Wilmington
Millis	Winchester
Milton	Winthrop
Nahant	Woburn

How Do I Start the IDA Process?

1. DTA worker refers you to this program and faxes your signed Release Form to MIDAS
2. MIDAS matches you with a participating non-profit agency closest to where you live
3. The agency contacts you directly to schedule an appointment to explain next steps
4. Following the appointment, you will work together to create a Savings Plan to open an IDA through financial partner Citizens Bank



The Individual Development Account Program for Educational Advancement

These services are funded by a \$500,000 Assets for Independence Demonstration Program Financial Assistance Award, through the Administration for Children and Families of the U.S. Department of Health and Human Services, representing 50% of total project costs. The remaining \$500,000, representing 50% of total costs, is funded by non-federal sources.

Brought to you by the Funding Futures Partnership. Funding Futures is a partnership between United Way of Massachusetts Bay, MIDAS, and DTA that helps eligible families build savings through matching IDA funds.



MIDAS prep-ed by UH



The Road to Educational Advancement Begins Here!

Use this brochure to guide you through the process of securing your spot in this exciting IDA program.

What is an Individual Development Account (IDA)?

An IDA is a powerful savings tool created to help individuals and families build financial assets. IDAs are only offered through non-profits or government organizations and can be used to purchase a first home, pay for post-secondary education or start a business.

This program is specifically designed for education.

Space is limited.

Sign up today!

What Must I Do to Qualify for this IDA?

- must have a high school diploma or GED
- must be an active TAFDC recipient at time of signup
- must be fulfilling your prearranged work requirement
- must have the ability to save money on a weekly basis
- must be following the policies and procedures required by DTA
- must commit to financial training such as banking, budgeting, credit, insurance, investing and more
- must enroll in the program through qualified non-profit agencies under contract with United Way

How Can this IDA Help Me?

This IDA program is offered specifically to active TAFDC recipients. This particular program is only offered to those who are interested in receiving help to pay for vocational educational training. DTA and United Way will match funds for those who meet all the requirements.

How Do the Matching Funds Work?

Your savings* will be matched 2:1. So if you save \$2,000 (maximum) on your own, you will receive a \$4,000 match from DTA and United Way for a total of \$6,000. Again, you'll get a total of \$6,000 towards your vocational educational training when you save \$2,000.

*Savings accounts managed by financial partner Citizens Bank.

