

**DEPARTMENT OF LABOR
INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM
TECHNICAL POLICY MANUAL**

**PILOT POLICY FOR TRANSFERRING PARTICIPANTS AMONG
CONNECTICUT INDIVIDUAL DEVELOPMENT ACCOUNT (IDA)
PROGRAMS
Effective 6/5/2012**

DEFINITIONS

- Grantee – An organization that receives funding from the Connecticut Department of Labor to operate a CT IDA Program.
- CT IDA Program – An IDA Program supported by a grant from the CT Department of Labor. This can be either a CT IDA Initiative Program or a CT Housing Trust Fund (HTF) IDA Program.
- Project Participant – An individual who is enrolled in either a CT IDA Initiative Program or a CT Housing Trust Fund IDA Program.

BACKGROUND

On certain occasions, there may be a justification for moving an IDA participant from one Department of Labor Individual Development Account Program to another. This could be from one CTIDA Initiative Program to another CTIDA Initiative Program, from one CT Housing Trust Fund IDA Program to another CT Housing Trust Fund IDA Program, or between a CTIDA Initiative Program and a CT Housing Trust Fund IDA Program. Possible reasons for a transfer might be:

- To give a participant more time to save.
- To allow a participant to purchase an asset not allowed by the original program in which they were enrolled.
- To transfer a participant nearing completion of the program to an older existing grant with open slots so that a slot can be opened up in a newer grant.

POLICY GUIDANCE

NOTE: No grantee is allowed to transfer participants between IDA programs without first getting approval from the Connecticut Department of Labor (david.fernandes@ct.gov)

The request for transfer must be sent to DOL in writing and must include:

- The reason for requesting the transfer (see above list of possible reasons)
- The name of the participant to be transferred
- The grants between which you are requesting to transfer the participant
- Amount of savings in the participant's IDA at the time of the transfer
- Amount of "matching funds" retained in the original Program's Reserve Account as a result of the transfer.

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With DOL permission, grantees may allow an eligible IDA participant to be transferred from one CT DOL IDA Program to another administered by that grantee without requiring the participant to re-enroll in financial literacy courses or other training, except for additional asset-specific training if the participant has changed his/her savings goal. Grantees may choose to require participants to attend additional training, if needed. A transferred participant may withdraw funds for allowable uses from an IDA started under the new CT IDA program after the participant has been enrolled (i.e. account opened) in either of the CT IDA Programs for at least a combined total of six months.

Limitations:

Every effort must be made to ensure the participant is initially screened and enrolled in the most appropriate IDA grant to maximize success and minimize the need to transfer the participant to another grant as a “back-up” strategy.

- The participant is in good standing with the IDA Program and is eligible for transfer.
- The participant is current with the financial literacy training requirements.
- The participant has a consistent record of saving according to the Savings Plan Agreement.
- The participant is abiding with other program requirements. (The grantee may establish specific criteria for determining when a participant is in good standing.)
- The participant has been enrolled (i.e. account opened) in either of the CT IDA Programs for at least a combined total of six months.
- The participant understands that he/she can only be transferred once.
- The participant has not withdrawn any funds for emergency expenses or for qualified purchases from his or her IDA. A participant may not be transferred after withdrawing funds.

REQUIRED PROCEDURES

A grantee must do the following when a participant is transferred from one IDA Program to another:

- 1) Retain “matching” funds that had been set aside for the participant in the original project’s Reserve Account.
- 2) Allocate “matching” funds in the new project’s Reserve Account for the transferred participant. (These funds must be available before the grantee may transfer a participant.)
- 3) Update participant Savings Plan Agreement (Grant, Savings Goal, etc.).
- 4) Record details of the transfer in both project files and program narratives for review by program officials, evaluators, auditors, and others:
 - a) Date of the transfer;
 - b) Participant’s or grantee’s reason for requesting the transfer;
 - c) Amount of savings in the participant’s IDA at the time of the transfer;
 - d) Amount of “matching funds” retained in the original Program’s Reserve Account as a result of the transfer.

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- 4) Record the transferred account as “Transferred/Closed” in the original project file.
- 5) Record the transferred account as “Transferred/Opened” in the new project file.
- 6) Report details about the transfer, as noted in #4 above, on the yearly Narrative Report of both the original and the new IDA Program.