

# North Central Workforce Development Area

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## LOCAL DIRECTIVE

Directive #: <u>24-182 Rev 1</u> Date: <u>July 1, 2025</u>
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TO: SkillSource Staff and Service Providers

FROM: Lisa Romine, CEO

SUBJECT: Community Reinvestment Matched Savings Investment Accounts

SUPERSEDES: Local Directives 24-182 and 25-171

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### **Revision 1 Change Summary:**

- 1. Incorporates changes to MISA service delivery directed in State Program Policy 7010 Rev 3:**
    - a. Sets match level to 1:1 and maximum match to \$10000**
    - b. Allows rollover/carry-in of funds from prior savings plan agreements**
    - c. Limits eligible participants to State EcSA enrollees**
    - d. Incorporates Local Directive 25-171, CRP Withdrawals**
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### **PURPOSE:**

The purpose of this directive is to outline the structure and implementation of the Community Reinvestment Matched Investment Savings Accounts program, ensuring clear guidelines for participant eligibility, contribution matching, financial education requirements, and withdrawal conditions. This directive highlights Washington State Policy 7010 ([State Program Policy \(wa.gov\)](http://www.wa.gov)) and additional local guidance. Matched Investment Savings Accounts (MISAs) are part of the Community Reinvestment Plan (CRP) funded by Community Reinvestment Funds (CRF) through an interagency agreement between Washington State Department of Commerce (Commerce) and Employment Security Department (ESD), aim to support participants' future asset-building or investment goals. This policy aims to support goals of economically disadvantaged individuals and families in Washington State, with a specific focus on Black, Tribal, and Latine communities.

For the purposes of this program, a MISA is defined as a custodial account, managed by SkillSource staff and service providers, to provide a 1:1 match for participants' savings, with a maximum of \$10,000 in matched funds to enhance financial self-sufficiency. Participants can make withdrawals for approved purposes once they meet financial coaching requirements and adhere to their Savings Plan Agreement. Emergency withdrawals are permitted under specific circumstances, only after other support options have been explored.

## Matched Investment Savings Accounts Program Overview

**Eligibility:** For a participant to be eligible for the MISA Program, applicants must meet the following requirements:

- Be enrolled or co-enrolled in State-Funded Economic Security for All.
- Be 18 years of age or older, or an emancipated youth.
- At the point at which a self-sufficiency standard is/was established with the participant, the participant must have or have had income below the Self-Sufficiency Standard for their individual household composition as defined by the UW Self-Sufficiency Calculator. Self-Sufficiency Calculator must be completed for all MISA participants, and results will be saved in the Calculator database and the participant file.
- Complete a Savings Plan Agreement to establish financial goals as outlined in Savings Plan Agreement section below.
- Sign a New Account Authorization Letter (Attachment A) authorizing SkillSource/subrecipient to open a custodial account with Umpqua Bank.
- Complete all forms and follow all processes mandated by the bank for account opening as part of their enrollment in the program.

**Documentation:** Staff will save copies of the UW Self Sufficiency Standard, Savings Plan Agreement, New Account Authorization Letter in the participant file.

**Savings Plan Agreement:** Each participant must create a Savings Plan Agreement (Attachment B) to guide their investment strategy in cooperation with SkillSource/subrecipient case managers. This plan will include the following elements:

- Anticipated participant contribution, frequency of contributions, and planned source of contributed funds. 1:1 match will be limited to \$10,000 of participant contributions. Contributions may be made from earned income and other income, which may include incentives, child support payments, supplemental security income, and disability benefits.
- Participant affirms their understanding that the 1:1 matching funds are applied only up to the first \$10,000 of their savings, which means the program will contribute a maximum of \$10,000, capping the total combined savings at \$20,000. Any participant contributions exceeding \$10,000 will not receive additional matching funds.
- Participant financial goals, to include the total savings goals (contribution plus match), timeframe for contributions and savings, specific asset/investment intent, and any key milestones associated with the savings plan.
- Participant affirms their understanding that they may only withdraw their savings from the MISA after achieving their Savings Plan Agreement goals and all required financial education & coaching is completed;
- Withdrawal or transfer of funds may result in tax or social service eligibility changes which they must report;
- Explanation of how the Savings Plan Agreement will be reviewed and updated as needed, based on mutual agreement between the participant and case manager. All revised agreements must be attached to the participant file.
- If the CRF program is not funded beyond June 30, 2027, the MISA account will be converted to a non-custodial account and the participant may withdraw funds at that time.

### **Fund Management & Guidelines**

- **Matching Account:** SkillSource will maintain a single account containing CRF funds to be used as matched funds when a participant makes a deposit.
- **Custodial Accounts:** Participants will open individual custodial accounts to serve as their MISA, with SkillSource as the account's custodian.
- **Deposits:** Participants can deposit into their custodial accounts, and SkillSource can also make direct deposits, with incentive payment funds the participant has earned, on their behalf.

- **Matched Fund Transfer:** Once the bank receives approval from SkillSource, funds will be transferred from SkillSource's Matching Account to the participant's personal, custodial account. The transfer of matching funds must be completed prior to the participant receiving authorization to make withdrawals.
- **Withdrawal Approval:** Participants cannot withdraw any funds from their Custodial Account without prior approval from SkillSource.

### **Personal Finance Education and Coaching Requirements:**

Personal Finance Education and Coaching that meets the standard outlined below must be completed by the participant before the first withdrawal of matched funds, excluding approved emergency uses. SkillSource will partner with organizations to offer personal finance education containing the following elements:

1. Introduction to Banking and Budgeting – including:
  - a. An overview of the banking system and budgeting techniques
  - b. Short, intermediate, and long-term financial goal setting
2. Income and Tax Systems
  - a. Current and future income potential
  - b. Financial responsibilities, tax systems
3. Credit Management
  - a. Establishing and maintaining strong credit
  - b. Finding and monitoring credit reports and scores
  - c. Understanding loan types and implications
4. Individualized Coaching: Applying Tools to your Life
  - a. Use SMART goals to identify and create a plan to achieve your personal dreams
  - b. Developing debt reduction and savings plans.
  - c. Utilizing a bill prioritization framework when cash is short

Participants must complete the core topics and complete any additional financial education and coaching as defined in their Savings Plan Agreement before they can make a non-emergency withdrawal of funds for their assets or investment goal. Case managers must document completion of the required Personal Finance Education and Coaching standard training elements by each participant. Methods of documentation may include case notes or transcripts from learning management software.

### **Savings Plan Goal and Withdrawal Guidelines (from Local Directive 25-171)**

a. Purchase of Asset or Investment: Participants can make a withdrawal for the purchase of one of the qualifying assets or investments identified below, provided the items are for their own use and are reviewed and approved by the Managing Director, CEO or CFO. This is allowed once they have completed the required financial coaching and met the goals outlined in their Savings Plan Agreement. Qualifying assets/investments are limited to:

- Postsecondary education and training,
- Homeownership or rental move-in expenses, including first and last month's rent plus deposit,
- Starting or scaling a business including start-up cost, equipment, etc.
- Purchase of land for residential or business use
- Computer purchase
- Automobile purchase
- Home additions and expansions
- Assistive technologies
- Broadband access in rural housing and connectivity costs

The following investments may be designated as part of a Savings Plan Agreement, but payment for them may only be issued as a lump sum at the completion of the savings plan.

- Repayment of existing student loan debt accrued for the participant's education.
- Repayment (full or partial) of business loan (must verify source of loan, maintain on file a copy of the original loan documents, and must be a currently operating business).
- Payments toward an existing home mortgage held by the participant.
- Repayment of existing automobile loans for the primary vehicle of the participant's household.

b. Emergency Withdrawals: SkillSource Managing Director, CEO, or CFO must review and approve emergency withdrawal requests by participants. Emergency withdrawals are permissible only after all other support options, including federal and state EcSA and WIOA resources, have been fully explored. Participants can request emergency withdrawals for the following reasons:

- Necessary medical expenses
- To avoid eviction or foreclosure of the participant from the participant's residence
- Essential expenses to maintain or sustain employability after a job loss, such as phone and living expenses.
- Expenses related to transportation for employment, including car payments if the vehicle is at risk of repossession, maintenance costs such as repairs, new tires, oil changes, and other critical vehicle expenses necessary for commuting to work or programmatic meetings. Also covers bus passes, gas, and car insurance when other transportation aid options are unavailable.
- Childcare expenses critical for attending work or program-related meetings, provided state childcare assistance has been applied for and no alternative payment options are available.
- Unexpected household repairs, urgent household moves, or significant life changes that impact the participant's ability to participate in the program.
- Unexpected burial expenses and/or unanticipated travel expenses for an out-of-town funeral.

c. Withdrawal Request Details:

- Each withdrawal request from the participant must specify the name of the institution/vendor where the asset or investment will be purchased, date, and the exact amount to be withdrawn.

d. Verification of Institution/Vendor

- SkillSource/subrecipient will verify that the institution or vendor, where the asset/investment purchase will be made, is a known and legitimate business. For unfamiliar institutions or vendors, conduct due diligence to confirm legitimacy, such as checking business licensure, conducting participant's own research, and performing reference checks.

e. Documentation for Payments

- Payments can be made directly to the institution/vendor either by a match check issued in their name or via electronic transfer.
- Documentation detailing the transfer specifics, including date, destination, amount, and justification of need must be maintained in the participant case files.
- In cases where matching funds are sent directly to the participant, the following documentation must be included in participant case files:
  - A copy of the match funds check made out to the participant.
  - Details of any electronic fund transfer; or
  - A deposit receipt showing the match funds deposited into the participant's account.
- Emergency Withdrawals – SkillSource/subrecipients must follow the state policy for emergency withdrawals and maintain all documentation in participant case files.

f. Exceptions and Special Cases

- Small Businesses or Individuals as the institution/vendor: If verification steps listed in III b. are impractical (e.g., when dealing with small businesses or individuals), include a documented reason for the exception. Require additional documentation of the purchase, such as a copy of an inspection report and the title for vehicle purchases, which must be assigned to the participant.

g. Reimbursement Requests

- Participants are permitted to make eligible purchases for reimbursement only after fulfilling all specified personal finance education and coaching requirements.

- If a participant requests reimbursement for a qualified purchase they have already made, ensure that documentation of the purchase is provided.

#### h. Withdrawal Approval

Upon completion of required withdrawal form (Emergency or non-Emergency), Umpqua Bank MISA Withdrawal Request, and all required documentation, Training Manager will review for completion and then submit to Executive team for final approval.

### **MISA Procedure and Data Entry Guidance**

All MISA recipients must be enrolled in the Community Reinvestment Fund program enrollment at the time in which they sign the participant authorization form to open a MISA.

- **MISA Savings Plan Agreement**

- Navigate to the Services Module: Go to the section in ETO where you manage services.
- Add New Service: Create a new state-funded service called "Matched Individual Savings Account Plan."
- Link with CRF Program: Ensure this service is linked to the Community Reinvestment Fund program of enrollment.
- The "Matched Individual Savings Account Plan" service must be entered at the time that the participant has completed a Savings Plan Agreement and prior to any contribution to their MISA.
- The completed Savings Plan Agreement must be uploaded to the "Matched Individual Savings Account" touchpoint.
- Amounts carried over from previous MISA Savings Plan Agreements may be entered under "Carry-in Amount".

- **Financial Education and Training Service**

- Navigate to the Services Module: Go to the section in ETO where you manage services.
- Add New Service: Create a new service called "State-Funded Financial Literacy."
- Link with CRF Program: Ensure this service is linked to the Community Reinvestment Fund (CRF) program of enrollment.
- The "State-Funded Financial Literacy" service must be entered at the time that the participant has completed the required 10 hours of Personal Finance Education and Coaching.

- **MISA Payments**

- Navigate to the Services Module: Go to the section in ETO where you manage services.
- Add New Service: Create a new state-funded service called "Matched Individual Savings Account Payment."
- Link with CRF Program: Ensure this service is linked to the Community Reinvestment Fund program of enrollment.
- A "Matched Individual Savings Account Payment" service must be entered at every point at which a participant's contribution is matched, with the amounts of the participant contribution and program match entered in the touchpoint.
- A "Matched Individual Savings Account Payment" service must also be entered at any point that a participant makes a withdrawal from their MISA. Enter the withdrawal amount as a negative amount (ex. -\$5000) and enter \$0 for the program match. Please specify the reason for withdrawal in the case note.

#### **FORMS:**

**A – [New Account Authorization Letter](#)**

B – [Savings Plan Agreement \(Excel\)](#)

C – [State EcSA & CRF Monthly Performance Report & Academic Incentive Payment](#)