



**REQUEST FOR QUALIFICATIONS for
Financial Institutions**

\$aveUSA (a tax-time savings program) in

New York City, NY; Newark, NJ; San Antonio, TX; Tulsa, OK; and Savannah GA

The Mayor's Fund to Advance New York City (Mayor's Fund), in partnership with the Center for Economic Opportunity, is requesting Statements of Qualification from financial institutions willing to provide a savings account and related services to \$aveUSA Account Participants in one or all of the cities where this program will be implemented.

The \$aveUSA Account Program will be offered to eligible tax filers at Volunteer Income Tax Assistance (VITA) sites in New York City, Tulsa, San Antonio, Newark, and Savannah. Participants will receive a 50 percent match from the Mayor's Fund, up to \$500, if they direct deposit at least \$200 of their tax refund into a "\$aveUSA Account" and maintain the initial deposit for approximately one year.

Five copies of the response to this Request for Statement of Qualification must be submitted no later than 3:00 PM, October 15, 2010 and should be addressed to:

\$aveUSA Account Program
Mayor's Fund to Advance NYC
253 Broadway, 8th Floor
New York, NY 10007

Questions regarding this request can be submitted to SIF@cityhall.nyc.gov, with subject heading \$aveUSA Financial Institution RFQ.

Responses received after the date and time specified will be considered late and may not be accepted or reviewed.

The Mayor's Fund is not liable for any costs incurred in the preparation of Statements of Qualification.

A. Overview

The Mayor's Fund to Advance New York City (Mayor's Fund), in partnership with the Center for Economic Opportunity (CEO), is requesting Statements of Qualification from financial institutions willing to provide a savings account and related services to \$aveUSA Account Participants in one or all of the cities where this program will be implemented.

The \$aveUSA Account Program will be offered to eligible tax filers at Volunteer Income Tax Assistance (VITA) sites in New York City, Tulsa, San Antonio, Newark, and Savannah. A critical component of this program is the on-site opening of restricted-access savings accounts.

This Request for Qualifications will enable the Mayor's Fund and CEO to identify a pool of financial institutions able to offer the account in either one or multiple cities. A list of the pool of financial institutions that are able to offer the \$aveUSA Account will be provided to non-profit VITA programs in each city to select from. Non-profit VITAs will also be able to develop partnerships with other financial institutions, independent from this pool, provided that the financial institution accounts meet specifications and requirements provided here.

Non-profit institutions may work with VITA organizations, either as paid partners or as in-kind partners. For-profit institutions may participate as in-kind partners or as paid vendors, but not as paid partners.

B. Introduction

The \$aveUSA program was designed to test whether low-income households can be encouraged to save a portion of their tax refund, for at least one full year, if presented with the right incentives; and to evaluate the effects of doing so, on important financial outcomes such as long-term saving, total asset holdings, and debt.

\$aveUSA is to be offered to eligible tax filers at VITA sites in New York City, Tulsa, San Antonio, Newark, and Savannah during the 2011, 2012, and 2013 tax seasons. Participants will receive a 50 percent match, up to \$500, if they direct deposit at least \$200 into a "\$aveUSA Account" and maintain the initial deposit for approximately one year. VITA providers within each city will be required to operate VITA sites and enroll individuals (approximately 2,000 each year) into the \$aveUSA program, during the 2011 through 2013 tax seasons. Subsequently, research activities will continue for approximately two additional years.

Participants will be required to open the account at the tax site and contribute via direct deposit using IRS Form 8888 to split their tax refund. Providers selected to operate \$aveUSA will be required to develop partnerships with financial institutions to hold the accounts, and to create systems to facilitate account opening at the VITA site.

\$aveUSA eligibility will be determined by:

- Income: Tax filers must be eligible for VITA tax preparation services as determined by local guideline in the cities in which \$aveUSA is implemented — typically, with reported AGI of \$55,000 or less for filers with dependent children, or \$25,000 or less for individuals without children; and
- Refund size: Individuals must receive at least a \$200 tax refund from their state/city and/or federal tax return.

Selected providers will implement this program during the 2011, 2012, and 2013 tax seasons. Providers will collectively enroll the following each year into the \$aveUSA program:

- Savannah, GA: 250 VITA filers into the \$aveUSA program each year
- Newark, NJ: 350 - 500 VITA filers into the \$aveUSA program each year
- San Antonio, TX: 600 VITA filers into the \$aveUSA program each year
- New York, NY and Tulsa, OK: 600 - 800 VITA filers into the \$aveUSA program each year, plus an additional 600 - 800 VITA filers into the \$aveUSA control group in 2011

It is anticipated that in Year 2 and Year 3, there will be a number of slots that are not filled by Year 1 participants, therefore, new accounts will be opened and funded. Over the course of the three year program, an estimated 6000 individual accounts will be opened and funded by VITA filers across all cities. Filers assigned to the \$aveUSA control group in New York City and Tulsa, may also be eligible to open a savings account.

C. Scope of Work

The Mayor's Fund seeks financial institutions to provide the account and support services critical to the success of the \$aveUSA program, in one or all of the cities where this program will be implemented. The following list provides a description of the account needed, support services, and an array of features that are strongly preferred by the Mayor's Fund:

1. Ensure that accounts can be opened at the tax site at all times either by (1) a financial institution representative being present at all times or (2) devising an appropriate process for remote opening of accounts at the location, with intermediary assistance by VITA staff;
2. Open and maintain a savings account, termed \$aveUSA Account, for every VITA filer who enrolls in the program, with the account having the following features:
 - a. Allows a minimum \$200 deposit to open the account;
 - b. Allows deposits and withdrawals via teller transaction but not through ATM access, point-of-sale transactions, or paper checks;
 - c. Has the capacity to convert the account to a traditional, market-interest-rate savings account, if the account balance falls below the initial direct deposit made by the accountholder;
 - d. Waives any maintenance or online statement fees;
 - e. Allows online access to account information without the capacity to make online transfers, bill payments or purchases;

- f. Provides interest earnings at the market rate for traditional savings accounts; and
 - g. Has no or limited ChexSystems review.
3. Administer match funds to \$aveUSA Accounts either one year after account opened OR on specified dates;
4. Assign a financial institution representative to be trained on the \$aveUSA program and account features and is available to ensure that branch staff is aware of the program, its operations and distinct procedures. This representative will serve as the primary contact for the Mayor's Fund to address questions and issues as they arise during design and implementation of \$aveUSA, and will also be responsible for compiling and reporting accounts as detailed below;
5. For evaluation purposes, the financial institution shall commit to:
 - a. Monthly data reporting on all \$aveUSA Accounts from 2011 – 2016. Account and reporting terms to be worked out in consultation with the Mayor's Fund
 - b. Provide sufficient documentation to the Mayor's Fund to ensure accurate and efficient processing of financial data for the purposes of the \$aveUSA evaluation
 - c. Participate in interviews and other data collection activities intended to document, in an in-depth way, the implementation of \$aveUSA

D. Statement of Interest Requirements

In order for the Mayor's Fund to become familiar with your financial institution, please provide the following information:

1. **Contact Information:** A Letter of Transmittal signed by an authorized representative of the institution, indicating its locality, key staff contact name, email address, fax and phone number.
2. **Background on Organization:** Institution must provide: clear summary of its market (particularly as it applies to the \$aveUSA cities), proof of federal or state insurance, charter date and type, information on key products and services offered, location of branches in the proposed cities, as well as community outreach and philanthropic focus.
3. **Key Personnel:** Names of key personnel in proposed cities to work on this program, their respective titles, experience and periods of service with the institution.
4. **Statement of Interest:** A statement of the institution's qualifications for the project. Please provide a brief description of the product that will be offered based on the scope of work and program description described above. Include cities where the financial institution will offer the \$aveUSA Account.

5. **Sample Materials and Additional Information:** Any additional materials or information that may assist the Mayor's Fund in learning more about the institution and what it has to offer for this program.
6. **References:** Institution should provide two references and include: Organization name, address and contact persons who could provide a reference to the institution's work with innovative asset building programs focusing on low-income populations.

Innovations in product/service features and delivery are encouraged. Further, recommendations of additional features or services not represented here but which the responding institution's experience indicates would be of value for \$aveUSA Account program are also encouraged.

E. Selection Process

The Mayor's Fund will review proposals to ensure capacity to offer the \$aveUSA Account and support services as desired. Information about a pool of financial institutions will be provided to VITA providers, which may choose to partner with one of the financial institutions for local implementation of \$aveUSA. VITA providers may take into consideration branch availability in the city.

VITA partners will also be allowed to partner with financial institutions outside of the pool provided by the Mayor's Fund.