2022 OFN CDFI Technology Grant Program supported by Google.org

Overview

The OFN CDFI Technology Grant Program supported by Google.org provides $4 million in pass-through grants for CDFIs of all sizes.

The OFN CDFI Technology Grant Program supported by Google.org is a competitive awards process available to OFN members focused on small business lending and the program will award $4 million in pass-through grants for small-business lending focused CDFIs of all sizes in OFN’s membership. The program will have two award types:

1. Smaller grants, ranging from $75,000-$150,000, that are geared to smaller or mid-sized CDFIs. We anticipate awarding roughly 10 of these smaller of grants.
2. Larger grants, ranging from $250,000-$750,000, that will help support larger technology innovations. We anticipate awarding roughly 5-10 of these larger grants

OFN CDFI Technology Grant Program supported by Google.org Selection Criteria

The past two years has been one of tremendous change for small business CDFIs. While the pandemic and ensuing, inequitable economic fallout ravaged their communities, CDFIs stepped up with new partnerships and programs. During this time, the industry realized unusually high levels of visibility in the media, and attention from the corporate world, impact investors, and legislators. Through the PPP program small business lenders stepped up to serve clients in ways they hadn’t before. Some built partnerships with fintech companies to deploy a standardized product for processing PPP loans, while others partnered with mainstream banks. Capital has been one factor constraining CDFI growth; technology is another. The technology-focused grants detailed below will help CDFIs expand to help more small businesses achieve success and bring economic strength and stability to their communities.

The OFN CDFI Technology Grant Program supported by Google.org. Selection Committee will evaluate eligible applicants according to the five criteria below.

1. Overall Technology Strategy
A compelling strategy to leverage technology to allow for increased expansion or efficiency in providing financing products and services that benefit low-income communities.

2. Use of Funds
A compelling proposed use of the Google.org Technology Grant award funds to advance the applicant’s strategy in ways that otherwise would not be possible. Note:

3. Evaluation
A solid track record of defining and measuring impact over the applicant’s history and an articulation of how applicant plans to define, project, and evaluate outcomes/impacts of the proposed strategy.

4. Readiness
A clear description of the resources (e.g., staff, financial, partners, capital) needed for the applicant to implement its strategy, how the applicant plans to obtain those resources, and the status of the resources (in hand, committed, application submitted, early talks, etc.)

5. Financial Strength and Performance
Acceptable financial performance and risk management, and a sound business model that positions the organization for sustained growth, innovation, and success.

In evaluating strategies against the criteria above, the OFN CDFI Technology Grant Program supported by Google.org will prioritize strategies that incorporate one or more of the following:

- **Innovation**: Applicant’s strategy involves innovation in product design, marketing, technology, or another component that creates or expands access to affordable small business lending products and services to low-income communities.

- **Replicability**: Applicant’s strategy has the potential to be adopted and implemented by other CDFIs or organizations.

- **Scalability**: Applicant’s strategy positions a CDFI (with its partners) to significantly scale a small business lending financing product or service to serve greater numbers of entrepreneurs of color.

- **Impact**: Extent to which applicant’s strategy benefits their target communities, particularly entrepreneurs of color and women from low-income communities.

**Technology Focus Areas**
Some focus areas for the OFN CDFI Technology Grant Program supported by Google.org include, but are not limited to:

- Cybersecurity
- Inefficiency of front-end process with customers and more intuitive customer interface
- Lack of integration in CDFIs’ internal systems resulting in duplication and double entry
- Flexible payment integrations
- Fintech partnerships to improve scale of small business lenders and/or standardization of products
- Ability to integrate with systems that are capturing cash flow data
- Technology-driven business development including online ads
- Technology-supported technical assistance to CDFI customers
- Improved data collection and analytics
- New reporting requirements for small business lenders are emerging which could require tech solutions
- Improving the overall speed of the loan life cycle

Overall, the OFN CDFI Technology Grant Program supported by Google.org is looking to contribute to long-term sustainability and growth for small business CDFIs by improving:

- Marketing and customer acquisition
- Due diligence and underwriting
- Capital management
• Loan originations
• Risk assessment and management
• Compliance and reporting
• Information management and business analytics
• Impact data collection and analysis

**Award Types**
The **OFN CDFI Technology Grant Program supported by Google.org** will provide between a total of 15-20 grants. We anticipate awarding roughly 10 smaller grants that will range from $75,000-$150,000 and awarding 5-10 grants that will range from $250,000 - $750,000. These grants are specifically tailored to help CDFIs leverage technology to help accelerate their growth or expand their small business lending products and services to reach more businesses, and especially entrepreneurs of color. A total of $4,000,000 in grants will be awarded.

**Conditions of the Award**
The Award must be used as outlined in the application.

Awardees are required to sign grant documents associated with their Award.

Awardees will be required to submit a narrative report related to progress of the Awardees’ strategy and a financial report related to the use of funds due one year following receiving an award.

Awardees will contribute to and participate in efforts by OFN to promote awardees’ innovative strategies and spark replication through articles, webinars, social media, etc.

Awardees may be asked to share lessons learned with other CDFIs in OFN’s membership by speaking on a webinar, conference session, or other training.

**IMPORTANT NOTES:**

**Note about applicants:**

- CDFIs must be an OFN member to apply for the **OFN CDFI Technology Grant Program supported by Google.org**.
- CDFIs must provide small business financing products or services.
- CDFI must be a U.S. tax-exempt organization with a current 501(c)(3), 501(c)(1), 501(c)(4), or 501(c)(6) status

**CONFIDENTIALITY:** OFN will to the best of its ability ensure the confidentiality of all application materials. OFN staff, contractors, and members of the Selection Committee will review materials submitted in connection with the **OFN CDFI Technology Grant Program supported by Google.org**, as necessary and appropriate.

**DISCLAIMER:** OFN reserves the right to reject any and all applications, and no applicant has any rights to any award unless and until granted in writing and applicant complies with all terms and
conditions of the OFN CDFI Technology Grant Program supported by Google.org.
Application Materials for the
OFN CDFI Technology Grant Program supported by Google.org

Eligibility to Apply

To be eligible for the OFN CDFI Technology Grant Program supported by Google.org organizations must satisfy each of the three conditions specified below.

1. Charitable Purpose
Applicant is a U.S. tax-exempt organization with a current 501(c)(3), 501(c)(1), 501(c)(4), or 501(c)(6) determination letter from the Internal Revenue Service.

2. Is an OFN Member
Applicant is a member of the Opportunity Finance Network.

3. Current Plan
Applicant is operating under a business plan or strategic plan that was written or updated within the last five years.

Selection Criteria

The OFN CDFI Technology Grant Program supported by Google.org Selection Committee will evaluate eligible applicants according to the five criteria below.

1. Overall Technology Strategy
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2. Use of Funds
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3. Evaluation
A solid track record of defining and measuring impact over the applicant’s history and an articulation of how applicant plans to define, project, and evaluate outcomes/impacts of the proposed strategy.

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A clear description of the resources (e.g. staff, financial, partners, capital) needed for the applicant to implement its strategy, how the applicant plans to obtain those resources, and the status of the resources (in hand, committed, application submitted, early talks, etc.)

5. Financial Strength and Performance
Acceptable financial performance and risk management, and a sound business model that positions the organization for sustained growth, innovation, and success.

In evaluating strategies against the criteria above, the OFN CDFI Technology Grant Program supported by Google.org will prioritize strategies that incorporate one or more of the following:
• **Innovation**: Applicant’s strategy involves innovation in product design, marketing, technology, or another component that creates or expands access to affordable small business lending products and services to low-income communities. Innovation may be found within the context of the individual CDFI’s mission particularly for smaller grants or within the broader CDFI field for larger grants.

• **Replicability**: Applicant’s strategy has the potential to be adopted and implemented by other CDFIs or organizations.

• **Scalability**: Applicant’s strategy positions a CDFI (with its partners) to significantly scale a small business lending financing product or service to serve greater numbers of entrepreneurs of color.

• **Impact**: Extent to which applicant’s strategy benefits their target communities, particularly entrepreneurs of color and women from low-income communities.

**Technology Focus Areas**
Some focus areas for the [OFN CDFI Technology Grant Program supported by Google.org](https://www.ofn.org/cdfi-technology-grant-program) include, but are not limited to:

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Overall, the [OFN CDFI Technology Grant Program supported by Google.org](https://www.ofn.org/cdfi-technology-grant-program) is looking to contribute to long-term sustainability and growth for small business CDFIs by improving:

- Marketing and customer acquisition
- Due diligence and underwriting
- Capital management
- Loan originations
- Risk assessment and management
- Compliance and reporting
- Information management and business analytics
- Impact data collection and analysis
- Prevention of predatory lending
Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
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<tbody>
<tr>
<td>OFN CDFI Technology Grant Program supported by Google.org, Launch</td>
<td>February 10, 2022</td>
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<tr>
<td>Application period open</td>
<td>February 10, 2022 – March 31, 2022</td>
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<tr>
<td>Application deadline</td>
<td>March 31, 2022 (11:59PM EST)</td>
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<td>Selection committee review</td>
<td>April 25, 2022 – May 13, 2022</td>
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<tr>
<td>Applicants notified</td>
<td>May 16, 2022 – May 27, 2022</td>
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<tr>
<td>Grants disbursed</td>
<td>May 30, 2022 – June 10, 2022</td>
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How to Apply
Applicants must submit applications electronically at OFN CDFI Technology Grant Program supported by Google.org
Detailed Application Guidelines for the OFN CDFI Technology Grant Program supported by Google.org

The following is a complete list of the materials you will need to apply for the OFN CDFI Technology Grant Program supported by Google.org.

*Applicants must upload all items except #1 Organizational Information. The Organizational Information section is an online questionnaire.

1. Organizational information: Online questionnaire

The application will prompt applicants to enter the legal name and address of the headquarters of the entity seeking to receive an award. Email addresses and phone numbers will be requested for a lead contact person and/or the President or Executive Director.

2. OFN CDFI Technology Grant Program supported by Google.org Award Statement: Word document; max. 2,000 words

A statement which provides a compelling strategy to leverage technology to allow for increased expansion or efficiency in providing financing products and services that benefit low-income communities. (key questions to address are bolded):

Overview
- Briefly describe the mission and core activities of applicant and how technology plays a vital role to the organization’s current activities and future growth.

Rationale for Strategy
- What are/were the motivators for your CDFI to consider its strategy?
- What is the unmet market demand that your CDFI is addressing?
- Does your strategy depend on having other partners or community resources in place? Describe any agreements with significant partners, or where you are in the process with partners.
- Describe your organization’s target market for its strategy.
- Please describe any innovations in your strategy in terms of the products offered, populations served, and/or program design (e.g. marketing, technology)?
- Does your strategy have replication potential in the CDFI industry, and if so, how (e.g., a platform that other CDFIs could use or a product, innovation, or strategy that other CDFIs could adopt)?
- Are you planning to expand geographically with your strategy?

Use of Funds
- How will you use the funds and how would a OFN CDFI Technology Grant Program supported by Google.org Award advance your strategy in ways that may otherwise not be possible?
- Does your CDFI have or plan to raise other capital or grant sources to support the strategy?

Impact and Evaluation
- What outcome and impact measures will be the most relevant to your strategy? How do you plan to collect the data, and how will the data collection be better integrated as a result of this grant. How will your strategy benefit your target communities, particularly entrepreneurs of color and women from low-income communities?
**Readiness and Viability**

- **How will your organization implement your strategy?** What additional resources will you need, if any? What team member(s) is leading the proposed strategy and what changes, if any, are needed at the staff or board level to implement your strategy?

- **Has your organization completed a technology assessment plan?**

**3. Current Business or Strategic Plan:** PDF format preferred; No max. length

Please provide a copy of the applicant’s current business plan and/or strategic plan. This document should have been updated within the last five years.

**4. Technology Assessment Plan**

Please provide a copy of your organization’s technology assessment plan. If your organization has not completed one, please fill out this form and upload it.

**5. Project Budget**

Please provide a budget for your strategy.

**6. Latest Interim Financial Statements:** PDF format preferred; No max. length

Please provide interim financial statements for your most recently completed quarter or month, preferably year to date actuals against the budget.

**7. Impact / Outcomes**

Please provide a sample impact tracking report or a list of impact and outcome indicators your CDFI collects.

**8. Key Staff:** PDF format preferred; No max. length

A document listing key staff (name and position) with a summary of their experience and qualifications.

**9. Board of Directors:** PDF format preferred; No max. length

A list of the members of the Board of Directors with institutional affiliations.

**10. IRS Tax-Exempt Determination Letter(s) or Proof of CDFI Fund Certification:** PDF format; No max. length

Provide copy(ies) of 501(c)(3), 501(c)(1), 501(c)(4), or 501(c)(6) tax-exempt determination letter(s) from the U.S. Internal Revenue Service regarding the applicant organization’s charitable purpose and tax-exempt status.

**Questions and Technical Assistance**

If you have questions about the application process for the **OFN CDFI Technology Grant Program supported by Google.org**, please email Seth Julyan at sjulyan@ofn.org or 202.868.6920