

# TIPS

FOR A  
SUCCESSFUL  
PROJECT

## MATCHING FUNDS

All projects are required to have a match to receive federal JARC funds. An auto loan project is considered an operations project, and therefore requires a 50% match. Matching funds can consist of contributions from another federal agency, such as US Department of Health and Human Services, US Department of Veterans Affairs, etc. (Federal Department of Transportation funds cannot be used as match.) Other eligible match sources include foundation grants, corporate support, or contributions from private donors. State, county, or city funds are eligible sources of match. You might use your own general funds as a match for operations or buy materials specifically for this project, such as equipment, pre-paid transit tickets, or training materials.

In some instances, agencies can use in-kind services for a portion of the required match, also known as a “soft” match. Examples of in-kind services are the percentage of an existing salary that an agency director may donate to supervise your new project, and the value of volunteers’ time dedicated to the project. You must attach a reasonable and supportable value to these in-kind services when you develop your budget.

## PLANNING AHEAD

As you prepare your grant application, you will need to anticipate the details of implementation. This preparation will ensure that you have budgeted accurately:

### Project Staffing

*Will you need to hire more staff? If so, are they likely to be already trained for the tasks in the project, or will you need to build in training before the project starts up?*

### Managing the Grant

*Is your agency prepared to provide adequate project oversight for the duration of the grant? If you will use existing staff, how do you intend to keep the bookkeeping and materials separate from current projects in order to have clear accountability for the Transportation Planning Board (TPB) grant? This accountability may include keeping track of volunteer or in-kind hours to meet the local match. Do you have adequate resources to track customer participation, prepare quarterly progress reports, and manage the financial aspects of the grant? Applications are required to provide milestones for project development, project implementation and project evaluation. Quarterly reports will be required and should include details such as the number of people trained in a quarter, number of trips taken, number of classes held, etc. and other quantitative*

*and/or qualitative information that provides a clear picture of the project’s progress.*

### Partnerships

*What role will partner organizations play? How will you coordinate with them? If they will play a significant role, how will potential disputes over implementation be addressed?*

### Identifying Need

*What methodology will you use to estimate the number of participants who will be served by your grant? Can you justify that the number is realistic, not only to the TPB but to partner organizations, board members and others?*

### Selecting Participants

*What organizations can help you find the right type of participant and have those organizations expressed willingness to help? If too many people want your service, what criteria will you use to limit the number? If not enough sign up to participate, what outreach methods will you employ to meet the number specified in your grant application?*

### Insurance and Liability

*Does your project add potential new liabilities that your organization’s insurance doesn’t cover? For example, even if the vehicle is covered by insurance, will your organization face new exposure in the event of an accident?*

### Logistics

*Do you have enough space or will you need to procure more? For example, if vehicles are donated to the project, where will they be stored before being turned over to a participant?*

### Flexibility

*Often times, conditions can change between the process and plans described in the application and those present during implementation. Similarly, changes can occur over the two years for which you have budgeted. Have you built in flexibility to adjust the project as unforeseen changes arise?*

## EVALUATION

In order to write a compelling the grant application, you will need to gather data to demonstrate the need for your project—how many people will be served and on what basis you have made this estimate. After you have been awarded the grant, you may wish to gather further data as a baseline against which the success of your project will be measured. Your budget should reflect the time and resources needed to obtain additional data, if needed.

Dedicated staff time will be needed to track the project milestones you have indicated in your grant application. You should set up benchmark dates during the project to check on how you are doing in meeting the milestones and to develop a strategy for adjustments in the project if you are falling behind. You will be required to report your progress to the Transportation Planning Board on an annual basis, so tracking the performance of the project throughout its duration will be very helpful in providing a full picture of the impact of your project.

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JOB ACCESS REVERSE  
COMMUTE (JARC)  
PROJECT TEMPLATE

# Low Interest Auto Programs

## Developing a low-interest auto loan program



Photo courtesy of Northern Virginia Family Service



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If your agency or organization is considering applying for a Federal Transit Administration (FTA) Job Access and Reverse Commute (JARC) grant to sponsor a low-interest loan auto program for people with limited incomes that do not have good access to public transit, this brochure will provide you with tips for preparing your application, and steps you should be aware of in setting up such a program. More information about the application process is available through the TPB’s website at: [www.tpbcoordination.org](http://www.tpbcoordination.org).

Often, an auto provides the most flexible option for people needing access to jobs or child care centers. This is especially true for people who may work non-traditional hours, or live in areas where transit is not available, because an auto provides access to jobs during hours when public transit is unavailable. An auto also provides access to jobs in geographic areas where public transit does not operate or where multiple transfers among public transit providers makes the trip time infeasible.

It is also important to note that FTA guidelines require that participants in an auto loan program funded with JARC sign up for a ridesharing program.

JARC funds can be used to administer an auto loan program to facilitate transportation to jobs, job interviews, and job-training classes. Here are some benefits that your agency could cite in writing the grant application:

- Through access to better jobs, recipients may exit welfare programs, saving taxpayers money.
- An auto allows the recipient wider access to child care, grocery stores, health care, recreation, after-school activities, housing, and educational opportunities.
- Recipients gain independence and self-reliance.
- An Auto Loan Program allows recipients to establish a good credit record.
- Donors of automobiles can receive a full tax write-off of the fair market value.

Recipients gain  
independence  
and self-reliance.

# Low Interest Auto Programs



Photo courtesy of Northern Virginia Family Service

## Setting up Low Interest Auto Loan Programs

As a first step, your program should set eligibility criteria for potential recipients, as well as how recipients will be screened to ensure that they meet the criteria. The screening can be conducted by staff in your organization, by social workers screening clients for other program eligibility criteria, or by establishing a Loan Committee made up of partner agencies.

Depending on the goals of your program, criteria might include requirements such as:

- employment in a current job or proof of seeking a job;
- primary responsibility for children;
- agreement to enroll in a personal budget class; and
- enrollment in an auto maintenance class.

Free or low-cost car repairs (sometimes sponsored by a local community college) are often offered as an in-kind match to the JARC funding.

In providing low-interest loans, your agency (in consultation with the lending agency, if applicable) will need to make decisions on the minimum and maximum loan amounts, the interest rate to be paid, the length of the loan period, and the repayment schedule in order to determine the maximum number of loans that can be made in the grant cycle. Another consideration would be whether recipients without

a credit history would be eligible. Auto Loan Programs often recycle repayments of the loans into a revolving fund to provide additional loans. Your organization will need the assistance of a lending institution to set up the loan account. Alternatively, you may work with the loan program offered by specific car dealerships.

## Keys to Success

The following “keys to success” are based on lessons learned by sponsors of other Low-Interest Auto Loan Programs.

- Program participation should be limited to persons whose transportation options are otherwise limited; that is, they have no or limited access to fixed route transit.
- Partnerships with local business and education institutions—such as community banks, community colleges, car dealerships and local mechanics—will strengthen the program and provide supplemental resources beyond the JARC funding.
- Good customer relationships with clients are essential to repayment of loans. Flexibility in the timing of loan repayments may be necessary for changing economic circumstances in the clients’ lives.
- Consider clients’ work schedules and other responsibilities when scheduling required budgeting and repair classes to avoid conflict and promote good attendance.
- Establish program expectations clearly from the beginning, so there are no surprises or unanticipated setbacks for clients who were not well informed of their responsibilities.
- One such expectation is to ensure that program participants are encouraged to carpool and are registered for a carpool program.
- Build in an element to provide client follow-up. This step will confirm whether goals in the grant application—continuing employment, wage gain, increase in credit worthiness, reduction in utilization of public benefits, and quality of family life activities—were met.

## Potential Partners

- Car dealerships
- National organizations that provide donated cars (e.g., Vehicles for Change, <http://www.vehiclesforchange.org/>)
- Ways to Work (<http://www.waystowork.org/>)
- Financial institutions
- Repair shops
- Community colleges for budget classes and car repairs
- Individuals who donate cars for tax deductions
- County welfare-to-work departments

## EXAMPLES OF LOW-INTEREST AUTO LOAN PROGRAMS

When planning to sponsor an auto loan program, potential sponsors should consider contacting successful projects to learn more about how to set up, implement and evaluate the project. Some examples are highlighted below.

**Northern Virginia Family Service (NVFS), Vehicles for Change Program—received a 2010 JARC grant of \$568,479.** This project provides purchased vehicles to families with incomes of up to 200% of the poverty line, living within Arlington, Fairfax, Loudon, and Prince William Counties, as well as the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. Vehicles for Change, Inc. will provide donated and road-ready cars along with a six-month warranty to NVFS for a fee. NVFS will then provide 168 vehicles to participating families for a program fee of \$625. Car recipients must be employed for a minimum of 30 days at 30 hours a week and must have at least one child for whom they are responsible.

Budgeting, car maintenance, and saving for future repairs are reviewed with recipients, who must also provide proof of car insurance before receiving a vehicle and must register with a ridesharing program. An AAA membership is given to recipients, and Northern Virginia Community College will help with oil changes and free labor after the warranty period expires. *Contact: 703-219-2169.*

**Northern Virginia Family Service Ways to Work Program—received a 2007 JARC grant of \$102,768; a 2008 JARC grant of \$230,714, and a 2009 JARC grant of \$75,000. In 2007, the grant was for 48 loans to agency clients for the purchase and/or maintenance of vehicles.** In 2008, the grant was intended to support 96 such loans. In 2009, the program was restructured to provide car repair grants to 50-55 participants. The program provided both loans and grants to low-income working families to help them purchase a car or to repair a car that they owned. It served 105 families in total. To be eligible for the loan or the grant repair funds, clients had to be already working. Funds helped clients maintain their jobs. *Contact: 703-219-2169.*

## Putting Together a Budget

This information here is intended to help your agency think through putting together a budget for the grant application. It is important to remember that all projects are required to have matching funds to receive federal JARC funds. An Auto Loan Program requires a 50% match. A 50% match is also required for any portion of the operating costs of either type of program charged to the federal grant. For example, if your total operating costs are estimated at \$100,000, you must find \$50,000 in matching funds. See “Tips for Success” on the following page for examples of possible sources for matching funds.

The overall cost of the program will depend on the design of the program—how many loans will be given for the vehicles and the period in which the loans will be recovered, or how many vehicles will be sold to individuals for a nominal fee. Contacting local program managers may help identify specific program expenses under local conditions. A sample budget is shown here, which is intended to illustrate the types of expenses needed to be considered when starting a Low-Interest Auto Loan Program. For positions such as the project manager and administrative assistant, who may have only a portion of their salaries dedicated to this project, only the value of the percent of time which will be spent on the project needs to be included in the budget. Also keep in mind that the TPB grant application budget is for a 2-year period (applicants can apply for only one year).

Budget Category	Percent or Range of Total Cost
Administration and Project Management	Approximately 10% to 15% of total budget
Marketing and Outreach	A robust marketing effort should be 25% of the total budget
Data Collection and Program Evaluation	It is recommended that applicants dedicate 10% to 20% of the total budget to evaluation.
Vehicle Purchases	(to be completed)
Bank/Dealer Fees	(to be completed)
Rent & utilities for classroom activities, if applicable	(to be completed)
Other program materials	(to be completed)

### ALTERNATIVE FORMATS:

Alternative formats of this publication are available upon request. Phone (202) 962-3300 or (202) 962-3213 (TDD). Email: [accommodations@mwkog.org](mailto:accommodations@mwkog.org). Please allow seven working days for preparation of the material.

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