



UNITED WAY OF FREDERICK COUNTY PROSPERITY SAVINGS CAR PROGRAM

Sponsored by:



*Policies, Procedures and
Plan Agreement*

Last revised December 2025

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*Each account holder must initial every section of this manual to acknowledge
they have read and understand the policies and procedures
associated with a United Way of Frederick County Prosperity Savings Account.*

----- MISSION & VISION

United Way of Frederick County mobilizes the caring power of our whole community to improve lives.

The vision of United Way's prosperity matched savings program is to make it possible for ALICE (Asset Limited, Income Constrained, Employed) families to build the financial assets they need to achieve their goals. The goal is to improve financial stability throughout Frederick County and enable families with modest means to become economically independent and to prevent poverty in the community in the future. United Way is not only investing in the economic independence of families; United Way is also investing in the future of Frederick County.

----- DESCRIPTION OF THE PROGRAM

United Way established the Pathway to Transportation Program to help ALICE families purchase a safe, reliable and affordable vehicle. The Program offers participants incentive savings matches, money management education through our budget coach program and staff support, in order to make asset ownership obtainable. Program objectives include helping participants:

- Set realistic short and long term personal, financial, and asset goals.
- Design strategies to achieve their personal, financial and asset goals.
- Acquire financial skills and knowledge in order to make informed financial decisions.
- Develop or improve fiscal self-discipline, self-awareness and patterns of regular saving.
- Improve self-confidence and assertiveness, particularly with financial/consumer matters.

Financial education is a key component to the success of the Prosperity savers. Prosperity savers are required to enroll in the Budget Coach program.

A community bank will serve as a partner financial institution for the Prosperity Savings Account Program and a depository for Prosperity savers' savings, for the purpose of supporting the program.

----- ACCOUNT STRUCTURE

- Each account will be a joint account with the saver and United Way. Neither the saver nor United Way will have independent, direct ownership/withdraw privileges. A community Bank will allow withdrawals from the account with both the saver's and United Way's written consent.
- There is no limit to the number of qualified withdrawals, as long as the saver's deposits which qualify for a match do not exceed a grand total of \$500.
- *Funds cannot be used for previous purchases, previous payments or debt of any kind.*

----- MATCH RATE AND QUALIFIED WITHDRAWALS

- Savers must save a maximum of \$500.
- United Way of Frederick County will provide a match of approximately \$500 to purchase a good used car from Second Chances Garage.
- In no case will match funds be used for any form of debt or issued directly to savers; savers can only have their own deposited funds directly issued. Savers will be required to get signed approval from United Way in order to make a qualified withdrawal or to close the account.
- The maximum a saver can receive is approximately \$1,000 – \$500 they save themselves and a \$500 match from United Way to purchase a good used car from Second Chances Garage.

----- **QUALIFIED ASSET PURCHASES**

Car Purchase: Funds must be used for qualified acquisition to purchase a car from Second Chances Garage.

Savers must complete a minimum of 2 Budget Coach sessions before they can access the match funds. They must also complete the remaining 4 sessions if they haven't finished them by the time Second Chances Garage finds a car for them.

----- **ELIGIBILITY GUIDELINES**

To be eligible for the Program, participants must:

- Be a current resident and living within Frederick County.
- Be at least 18 years old.
- Must not own a car.
- Be currently employed, earning income from full-time, part-time or self-employment work or be employed by the time of car purchase.
- Meet earned income eligibility by time of car purchase.

----- **PROGRAM REQUIREMENTS**

Account savers must commit to the following:

- Save in the program for a maximum of 6 months.
- Savers must enroll in the Budget Coach program and complete all 6 sessions.
- Provide an approved, accurate and complete annual household budget, which includes their savings goal prior to application approval.
- Any additional requirements as outlined in this policy manual or deemed necessary by program staff.
- Agree to abide by the program's rules and responsibilities as described by the program staff and in the written materials.

----- **HOUSEHOLD EARNED INCOME (TO DETERMINE PROGRAM *ELIGIBILITY*)**

When determining eligibility, gross income is used. This is determined by using current annual income. All applicants must document their income level and meet the following **household eligibility income** requirements to participate in the program:

In order to be Earned Income eligible, the applicant's household eligibility income must not exceed the income guidelines (ALICE survivability limit, based on the number of people in their household – see description below). A household consists of anyone listed on the tax return. The most recent tax return will be used for verification.

Household Size	ALICE Survival Budget**	ALICE Survival Budget**
	Single-parent household Max Income	Two parent household Max Income
1	\$49,380	-
2	\$72,084	\$64,440
3	\$103,464	\$93,492
4	\$124,008	\$113,148
5	\$154,464	\$141,180
6	\$175,956	\$162,468

Household Eligibility Income includes:

- All Employment (Wages and Self-employment)
- Workers Compensation
- Unemployment
- Alimony
- Investment Income
- Retirement/Pension Income

Household Eligibility Income does not include:

- Child Support
- Social Security Benefits
- Other Benefits (TANF, Food Stamps, etc.)
- Section 8 Assistance
- If an employee pays for disability insurance

Enrollment and participation in the Prosperity Savings Account Program should not affect any public assistance participants may be receiving. Please ask if you have any concerns.

----- HOUSEHOLD EARNED INCOME (TO DETERMINE EMPLOYMENT FUNDS FOR DEPOSIT)

Prosperity Account savings dollars must be derived from household *earned* income, which includes employment earnings and self-employment earnings (earned income is defined by the U.S. Internal Revenue Code of 1986).

Generally speaking, Household Earned Income (money received for services rendered) includes:

- Wages, salaries, tips
- Net earnings from self-employment
- Work Study
- AmeriCorps stipend
- Foster care income from the State
- Disability Insurance Income (if the employer pays for the insurance – if the employee pays for insurance, it does not count as earned income)

All Prosperity Account savers must have a source of **earned** income during the savings period.

Savers cannot open a savings account until they verify there is earned income in the household from a job or a business. An individual who receives only Social Security income (or any other benefit income) cannot be a Prosperity Account saver because benefit income is not considered **earned** income.

----- **ACCEPTABLE EARNED INCOME VERIFICATION DOCUMENTATION (FOR BOTH ELIGIBILITY AND EMPLOYMENT)**

- Copies of paychecks or pay stubs from within the past 30 days.
- Written statements from employers regarding employment within the past 30 days
- Letters or other documents from income sources, if dated within the last 30 days
- If self-employed, accounting and other business records showing net income.
- Capital gains.
- Any assets drawn as withdrawals from a bank, the sale of property, a house or a car.
- Tax refunds, gifts, loans, lump sum inheritances, one-time insurance payments, or compensation for injury
- Non-cash benefits such as employer paid or union paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and federal non-cash benefit Program such as Medicare, Medicaid, food stamps, school lunches, housing, and other emergency assistance.
- Any portion of Social Security benefits deducted to pay Medicare premiums that will not be reimbursed.

----- **NET WORTH**

- For this program, net worth is determined by taking the household's total assets (what everyone in the household owns) and then subtracting the household's total liabilities (what everyone in the household owes) to see if it has a value of more than \$15,000. Your total net worth should be less than \$15,000.
- The following are *not* included when determining net worth:
 - The applicant's primary residence (asset) and associating liabilities (all mortgage balances associated with primary residence).
 - Retirement Accounts such as 401ks, IRAs, etc.

----- **HOUSEHOLD BUDGET**

Prior to opening a Prosperity Savings Account, the applicant must provide an accurate annual household budget which includes their savings goal amount. A blank budget with built-in formulas is sent as an attachment with the email confirmation that an applicant receives upon completing the application. It is important this information is complete and accurate.

----- **APPLICATION REVIEW**

An application will be reviewed once the application is complete, and all the required documentation has been received from the applicant.

The purpose of the application review is to:

- Verify and review documentation and eligibility.
- Review completed monthly household budget.
- Identify any potential barriers to successfully completing the program and make appropriate recommendations.

----- **APPLICATION APPROVAL**

Once the application packet has been reviewed, an approval or denial decision will be made. A United Way representative will communicate this initial decision to the applicant.

If denied, the applicant will receive an email outlining the reason(s) for the denial, along with suggestions for additional or alternative financial stability resources.

If approved, the applicant will schedule an appointment to come in, sign the approval documents and Plan Agreement, and receive information about the next steps.

After United Way's approval, the final approval will come from Second Chances Garage, following their own review to ensure there are no issues with the applicant's driving record or other eligibility concerns.

----- OPENING PROSPERITY SAVINGS ACCOUNT PROGRAM AT THE BANK

The saver must open their Prosperity Savings Account with an initial deposit of \$50 at the community bank location within 2 weeks of approval to enroll into the program. The following procedures will be used if the saver fails to open the account within 2 weeks:

- 3rd week after approval: Phone call to saver reminding them to open the account.
- 4th week after approval: Phone call to remind saver to open the account.
- 6th week after approval: Termination of application. Saver will have to reapply for the Prosperity Savings Account Program.

----- FINANCIAL EDUCATION TRAINING

Each saver is required to enroll in Budget Coach Program. A minimum of 2 sessions of the budget coach program must be completed prior to receiving their matched funds. The remaining 4 sessions, if not completed by the time a saver receives a vehicle, must be completed.

----- REQUESTING FUNDS FOR QUALIFIED ASSET PURCHASE

Once Second Chances Garage identifies a car for the saver, they will be notified to complete a qualified withdrawal form at least five business days in advance. This allows time to prepare the check for both their personal savings and the matching funds to send to SCG.

Several steps must be completed before any qualified withdrawal is processed:

1. *Have sufficient funds in the account* – participants must have accumulated \$500 of personal savings in their account so that, when combined with the match, they can successfully pay for the program car.
2. *Must complete a minimum of 2 sessions of the Budget Coach Program.*
3. *Complete Qualified Asset Purchase Withdrawal form* at least 5 (five) business days before Prosperity Savings Account Program funds are required. The signed form will be submitted to the community bank representative so the funds can be disbursed.

----- **AUTHORIZED EMERGENCY WITHDRAWAL**

In order to be eligible for an emergency withdrawal, savers must have been enrolled in the program for at least three months. *After 3 months of saving, savers are allowed one opportunity within the program period to withdraw all or some of their savings from their account in case of an emergency. Emergency withdrawals will not include matched funds.* If an emergency withdrawal is made, a *NO MATCH - Emergency Authorized/Unauthorized Withdrawal* form must be used.

There is a minimum \$50 balance required to remain in the account when an emergency withdrawal is made if the saver plans to remain in the program.

Saver must review alternative strategies with program staff to attempt to resolve the problem without making a withdrawal.

Saver must develop a revised savings plan with program staff that will detail the saver's plan to repay the withdrawn funds within 3 months.

Emergency withdrawals will only be approved when, in the judgment of the program staff, the funds are necessary to:

- Prevent *eviction* of a saver or saver's family from their residence
- Prevent *foreclosure* on a saver's primary residence.
- Pay for *critical health care services* for a saver or a saver's family member.
- Pay for *critical living expenses*, such as food supplies or utility expenses, following a saver's loss of employment.

----- **UNAUTHORIZED EMERGENCY WITHDRAWALS**

The following criteria apply to *unauthorized* emergency withdrawals:

- Account has been open for less than 3 months.
- Request does not meet qualifications to be considered for an emergency withdrawal.
- Request does not meet the requirements for a qualified asset purchase.

Saver will forfeit any match for unauthorized withdrawals. The saver must make arrangements with United Way for the withdrawal of funds from the participating financial institution by completing the *NO MATCH Emergency Authorized/Unauthorized Withdrawal* form. The program representative will then provide a copy of the signed form for the saver to give to Woodsboro Bank and the funds in the account will be returned to the saver without a match. The account will then be closed.

----- **ALTERNATIVES TO EMERGENCY WITHDRAWALS**

In the event the saver's request to make an emergency withdrawal is not approved, the saver may choose to:

- Make do without the emergency withdrawal and continue participation in the program.
- Withdraw from the program, receive a full refund of all Prosperity savings deposits and interest and forfeit all matching money.

Those who have withdrawn from the program may submit a request to re-apply immediately, or at their convenience. Applicants will be required to requalify for the program and there is no guarantee that space will be available in the program.

----- **VOLUNTARY EARLY WITHDRAWAL FROM PROGRAM**

Circumstances such as unemployment, medical emergencies, change of marital status, etc. may require a saver to voluntarily withdraw from the program. All withdrawals require savers to notify a

program representative at least one week before the planned withdrawal date by completing a *NO MATCH - Emergency Authorized/Unauthorized Withdrawal* form. The program representative will then provide a copy of the signed form for the saver to give to the financial institution and the funds in the account will be returned to the saver without a match.

----- RIDE UNITED NETWORK (RUN)

A saver is eligible to participate in the RUN program after opening their Prosperity Savings Accounts and maintain a minimum balance of \$50 and after approval from Second Chances Garage. If approved, the participant will receive notification along with supporting documents and instructions for next steps and sign a separate Plan Agreement to enroll in the RUN program to access rideshare transportation promo-codes whilst they wait to receive a vehicle from Second Chances Garage.

----- COMPLETION OF PROGRAM

When a saver receives their car, withdraws from the program, or the program term ends, they must complete the appropriate withdrawal forms. Both the saver and a United Way representative will be required to sign these forms. At that point, a copy of the signed forms will be provided to the saver to give to the bank. If there are any funds left in the account, they will be withdrawn and returned to the account holder and the account will be closed.

If a saver graduates from the program and receives a car from Second Chances Garage, the saver and everyone in the household is no longer eligible to apply to receive a vehicle through the program.

----- TERMINATION

Reasons a saver can be terminated:

- False, inaccurate financial information (for example, if the household exceeds income and asset requirements, if an applicant is unemployed, etc.)

- Failing to fulfill the required financial education training - enrolling in the Budget Coach program prior to receiving matched funds.
- Failing to meet any additional requirements as defined by the policy.

If a saver is terminated, a letter will be sent to the saver announcing his/her termination from the program, along with the specific reasons for the account termination. At that time, the saver will have forfeited any rights to the matching money as a result of termination.

----- IN THE EVENT OF DEATH

In the event of my death, I understand that if I designate another eligible individual as the beneficiary, that person will receive both my savings and earned match, provided he or she satisfies all project requirements. If I designate someone who is not eligible for an account, the beneficiary will receive only my savings, and my earned match will be used to match other account holders.

Accordingly, I designate the following beneficiary:

Full Name: _____

Street Address, City, State, Zip: _____

Phone 1: _____

Phone 2: _____

Email: _____

Relationship to account holder(s): _____

----- POLICY AND PROCEDURE CHANGES

United Way reserves the right to make changes to these policies and procedures.

ACCOUNT HOLDER INFORMATION:

Full Name: _____

Street Address, City, State, Zip: _____

Phone 1: _____

Phone 1: _____

Email: _____

SIGNATURES:

I have read and understood the entire Prosperity Savings Account Program Policies and Procedures manual. I agree to the terms and conditions of this program.

Prosperity Savings Account Program owner signature: _____

Printed Name: _____

Date: ____ / ____ / ____

Prosperity Savings Account Program co-owner signature: _____

Printed Name: _____

Date: ____ / ____ / ____

United Way Representative signature: _____

Printed Name: _____

Date: ____ / ____ / ____