

Program Overview

- The Foundation identifies families with financially challenged status defined as the total annual income from all sources less than \$40,000 (For 1-2 adults & 1-2 children or no children). For additional dependents, the limit can be increased by \$2,500/dependent.

- Candidate families are considered by a selection committee and, if approved, are enrolled into the program.

- The Foundation enlists sponsoring companies and individuals to pledge funds to match the savings of enrolled families.

- Once a family is approved, they are required to open a savings account with one of the banks/investment companies we have listed as sponsors.

- Each month, the enrolled family deposits any amount in their savings account and earns saving points equal to the amount saved, up to 100 points per month. Each saving point is worth 1 dollar and families can earn up to 1,200 saving points at the end of the 12-month enrollment period. The withdrawal of funds during the enrollment period results in the loss of saving points. For more detail on this, see Contribution and Matching Process section

- At the end of enrollment period (twelve months), The Pledging Tree Foundation matches funds equal to the saving points earned by the enrolled family. After the completion of the enrollment period, a family's funds will no longer earn saving points and it is hoped that the family will continue saving toward their goals.

- To help ensure that the program has a meaningful, long-lasting impact on the savings habits of enrolled families, those families attend quarterly one-on-one financial counseling sessions with a certified financial planner (CFP) to help and guide them throughout the entire 12-month period. Attendance at all 4 financial counseling sessions is mandatory for enrolled families.

- To redeem points at the end of the enrollment period, families must provide a copy of their 12-month bank statement and a confirmation of their attendance at all 4 quarterly one-on-one financial counseling sessions.

Contribution & Matching Process Once approved and enrolled, the family is required to open a savings account with one of the banks/investment companies affiliated with the Foundation. The enrolled family may start contributing from the first day of the month after they are approved. The contribution by the enrolled family must be made any time between the first and last day of the month in order for the funds to be counted for that given month. Each month, the enrolled family can deposit any amount in their savings account and will earn one saving point for each dollar saved with a maximum of 100 points per month.

If the family is unable to make a contribution in a given month, they will not be entitled to the saving points during that month. Past contribution amounts cannot be carried over to any subsequent month. If the family is unable to contribute for three consecutive months, their enrollment in the Foundation will automatically be terminated and the family will lose all of the earned points. However, if the family wishes to reapply for participation in the Foundation, they can do so after their one-year enrollment period has concluded.

If an enrolled family withdraws money in a given month, it would lose the number of saving points equivalent to the amount of the withdrawal (1 dollar = 1 point). In other words, during a month, a family can earn a maximum of 100 saving points, but would lose saving points equivalent to the amount of the withdrawal. Keeping this in mind, TPTF discourages families from withdrawing any funds during the enrollment period.

Examples of Scenarios

Scenario 1: If the enrolled family has earned 450 points by the end of May and deposits \$170 during June, the net points earned during June would be the maximum amount of 100 points. The net points balance as of the end of June would be calculated as follows:

Net points balance as of the end of June = Beginning balance + net points earned
= 450 + 100 = 550 points

Scenario 2: If the enrolled family has earned 550 points by the end of June and withdraws \$250 during July and deposits \$160 in the same month, the net points balance as of the end of July would be calculated as follows:

Net points earned in July = Deposits - Withdrawal
= 160 - 250 = -90 points (negative means net loss)

Net points balance as of the end of July = Beginning balance + net points earned/loss
= 550 - 90 = 460

Scenario 3: If the enrolled family has earned 460 points by the end of July and deposits \$40 during August, the net points balance as of the end of August would be calculated as follows:

Net points balance as of the end of August = Beginning balance + net points earned

= 460 + 40 = 500 points **Key Success Factors** To measure the success of our program, we have developed and

implemented four criteria for success. We measure these criteria periodically and take corrective actions to achieve the Foundation's stated objective. The key success factors are as follows:

- The monthly contribution by each enrolled family equals or exceeds \$100 during their enrollment period. The purpose of this criterion is that enrolled families benefit from receiving the maximum matching funds from our program. This can be measured by reviewing the monthly deposits made by the families.
 - The monthly savings of each family equals or exceeds \$100 for a two-year period after their enrollment period has ended. The purpose of this criterion is that enrolled families have cultivated the habit of disciplined savings. This can be measured by statements that each family will provide after the program has ended.
 - Each enrolled family attend at least three of the four workshop/training sessions that take place during their enrollment year. The purpose is that families are gaining knowledge to manage their successful financial futures. This can be measured by the attendance sheet.
 - Since two of the four workshop/training sessions are open to the public, the percentage of public attendees at the workshops/training sessions grows by at least 10% every year. The purpose of this criterion is to engage the public more in this program in order to have a broader impact in the community. This can be measured by the attendance sheet.
- Source of Funding The Foundation will be funded through donations from corporate sponsors as well as individual donors. The donors can directly donate money to the Foundation or can designate donations through other charitable organizations such as United Way. The Foundation is currently working with other charitable organizations to enable designation of funds.

The foundation has different levels of partnership with business sponsors. The table below outlines the donation amounts. Families are enrolled only when the funds are appropriated in advance. Individual donors can donate any amount and the Foundation will enroll the next family once the minimum amount to sponsor one family is reached.

Sponsorship Levels

Donation

Gift Impact Platinum Partner \$1200 Provides one year of matching funds and financial education for an eligible family
 Gold Partner \$600 Provides six months of matching funds and financial education for an eligible family
 Silver Partner \$100 Provides one month of matching funds and financial education for an eligible family
 Bronze Partner No Minimum
 Contributes individually or distributes a United Way contribution letter to all employees .