FY2027 Application Guidelines

Individual Development Accounts

Tax Credit Program

Application Guidelines

Opening Date: September 8, 2026

Webinar Date: September 15, 2026

Deadline:

October 16, 2026

KANSAS
COMMERCE

FY2027 Application Guidelines

Overview

The Individual Development Account (IDA) Tax Credit Program allows qualified Kansans of low-income levels the opportunity to achieve financial self-sufficiency through education and asset development. IDA awards 75% tax credits to approved, qualified community-based organizations to serve as program administrators to support eligible participants. Through administration, approved program participants are able to open a savings account that receives matching funds from IDA to grow their personal savings. The goals of the IDA Program are to decrease the number of Kansans receiving public income support and the number of communities with a high concentration of poverty.

The IDA Program raises the quality of life for all Kansans by increasing:

- The number of Kansans living above the federal poverty line
- Kansans who become homeowners
- Kansans completing over 12 years of education

Purpose- How Does It Work?

The Individual Development Account Program allows qualified Kansans of low-income levels the opportunity to achieve financial self-sufficiency through education and asset development.

An Individual Development Account, also known as an "IDA," is a savings account for low-income workers that can be used for small-business development, higher education, or the purchase of a first home. The special savings accounts can receive up to a 3:1 match on every dollar saved. Community charities, tribal and religious entities are eligible to develop programs in their communities through the selling of tax credits. The Kansas Department of Commerce oversees the program and allocates up to $500,000 in state income tax credits each calendar year. Commerce also partners with the Kansas Department of Revenue to administer the tax credits for qualified program contributors.

Kansans with higher income levels can help others achieve financial independence by contributing to the program while receiving up to a 75% income tax credit for their donation to the program.

The Kansas Department of Commerce (KDC) is seeking qualified community-based organizations to implement IDA Programs and administer an individual development account reserve fund on a not-for-profit basis as outlined in the Individual Development Account Program Act established under K.S.A. 74-50,201 through 74-50,208 (the Act) on behalf of KDC. The selected organizations will provide services to KDC and meet with an appointed representative from KDC regarding Program matters.

IDA Program Participants are qualified Kansans who enroll in a qualified IDA Program through an authorized Program Administrator.

Program Participants must meet income and asset qualifications and complete a money management education course before they can open a special savings account that is eligible for the financial match provided by a community-based organization at a one-to-one (1:1) ratio up to a three-to-one (3:1) ratio for every dollar saved. A family or individual whose household income is less than or equal to 200% of the federal poverty level at the time of application to an individual development account program may open an individual development account for the purpose of accumulating and withdrawing moneys for specified expenditures.

Qualified community-based organizations selected to be IDA Program Administrators are responsible for providing or raising the funds necessary for matching contributions to individual development accounts and maintaining records of the names of Program Donors and the total amount each Program Donor contributes to the IDA account reserve fund in each calendar year.

IDA Program Donors are individuals or companies that donate to a qualified IDA Program. Donors provide the matching funds for participant savings accounts and are eligible to receive a Kansas refundable income tax credit valued at up to 75% of their contribution amount. Program Administrators will submit Program Donor information to Commerce annually to administer the tax credits.

Tax credits will be authorized to Administrator(s) on an annual basis and expire on December 31 of the year in which they are authorized. The maximum amount of tax credit that a community-based organization may receive each fiscal year shall not exceed $100,000. However, if the total number of requests for tax credits by community-based organizations are less than $500,000, additional tax credits may be awarded by Commerce to a previously selected Administrator. Administrators may choose to submit a proposal to administer a statewide program or a portion of the program on a regional basis. In the event Administrators propose to operate the program on a regional basis, multiple Administrators may be selected.

Eligible Applicants

Any community-based charitable or religious association, or tribal entity may submit a proposal to serve as a Program Administrator. Program Administrators will identify financial institutions to partner with to host accounts opened by program participants.
A "Financial institution" means any bank, trust company, savings bank, credit union or savings and loan association or any other financial institution regulated by the state of Kansas, any agency of the United States or other state with an office in Kansas which is approved by the

secretary to create and maintain the necessary financial instruments setting up individual development accounts for eligible families or individuals to implement this program.

Ineligible Applicants

All other entities, including businesses, governmental entities, and 501(c)(6) organizations, are ineligible.

Timeline

Grant Announcement: September 2026

Application Period: September - October

Submission Deadline: October 16, 2026

Award Notification: December 2026

Informational/Grant Application Webinar:

Date: Sept. 15, 2026

Time: 10:30 am

Link: **https://us02web.zoom.us/meeting/register/agpo_uawQpSL9mCUbsTUcg**

Application Procedures

- Online application link can be found here: IDA Webpage
- Questions and submission of additional documentation should be directed to Kerri Falletti at kerri.falletti@ks.gov
- Applications that are incomplete or missing documentation will not be reviewed for rating or considered for funding.

Estimated Time to Complete Application: 4-6 hours

Funding Availability

The state of Kansas Individual Development Account Tax Credit Program will award $500,000 in tax credits for eligible projects in FY2027. The maximum award for tax credits is $100,000 per program. If requests for tax credits exceed the amount available and all other scoring factors are equal, priority will be given to applicants not previously awarded. The Kansas Department of Commerce will evaluate the credit utilization of every project at the end of twelve (12) months. If, after notice has been provided by Commerce, an organization is unable to provide written evidence that its remaining credits will be utilized, Commerce reserves the right to reduce the amount of tax credits for that project and reallocate those credits to other projects, so they can be utilized before the expiration date.

- Total Funding Available: $500,000
- Minimum Award Amount: no minimum
- Maximum Award Amount: $100,000
- Expected Number of Awards: 5
- Period of Performance: 3 years

The Kansas Department of Commerce expects to announce selected grantees December 2026. If selected, you may only incur eligible expenditures when the grant contract agreement is fully executed, and the period of performance date has started. Selected awardees may request annual renewals of the Agreement term and Commerce, at its discretion, may approve that renewal for an additional year but not to exceed a total agreement term of three (3) years.

Eligible Projects

Program Administrators, the community organization, will be responsible for utilizing the sale of awarded tax credits to raise funds to be used as the match to the program participants contributions. Administrators will partner with financial institutions to host the accounts and maintain account information. Administrators will ensure that accounts are opened by the participants for qualified uses. Under the IDA Program each proposal shall create opportunities for Program Participants to accrue savings for the following purposes:

1. **Purchase of a first home -** *Offered To Qualified, First-Time Homebuyers.*
   Qualified first-time homebuyers are defined as a taxpayer, and, if married, the taxpayer's spouse, who has no present ownership interest in a principal residence during the three-year period ending on the date on which a binding contract to acquire, construct or reconstruct the principal residence to which this subsection applies is entered.
2. **Pay for home repairs**
   Households with low to moderate income can save to make major repairs or improvements necessary to keep their home safe and accessible. To qualify, applicants must live in a single-family home in which they hold the deed, be current on property taxes and meet income guidelines.
3. **Build on a small business**

Start, purchase or expand a small business. Qualified expenses using IDA funds include stocking inventory, working capital, business equipment and marketing materials.

4. **Pay for college or specialized training**
   This includes postsecondary educational costs required for enrollment or attendance, and fees, books, supplies and equipment required for courses of instruction at an educational institution. This also includes job training costs at an accredited or licensed training program.

Ineligible Projects

Any other project not listed above.

Eligible Program Costs

Funds raised from the sale of IDA tax credits must be used to fund match to participant account contributions. For the first and second years of award and participation in IDA 20% can be used for administrative costs, with 15% for following awarded years, including previous program administrators.

Allowable administrative costs are expenses that directly contribute to the successful development or operation of a program. Examples may include staff time needed to administer the program, software or technology developed for program delivery, or compensation for instructors or teachers. Long-term plans should address sustainability and demonstrate how administrative costs will be reduced to 15% after the first two years of program administration

Ineligible Program Costs

The only eligible uses of the funds raised from sale of tax credits are for participant account match and administration costs as referenced above; all other costs incurred by program administrators are not eligible uses of funds.

Match Requirement

Program Administrators will need to describe their fundraising plans to collect donations equal to the amount of tax credits requested. Pledge letters totaling a minimum of 50% of the requested amount of tax credits are required to be submitted with the application.

The program administrator will need to match every dollar saved by a participant in the IDA accounts in a one-to-one (1:1) ratio up to a three-to-one (3:1) ratio.

Funding Priorities

The applicant must be a community-based organization. Priority will be given to organizations with similar experience in maintaining education and financial programs to low-income persons. In reviewing the proposals of community-based organizations, the following factors shall be considered:

- The not-for-profit status or tribal status of such community-based organization
- The fiscal accountability of the community-based organization
- The ability of the community-based organization to provide or raise funds through the sale of the tax credits for matching participant contributions
- The ability of the community-based organization to establish and administer an individual development reserve fund account which shall receive all contributions from program participants
- The significance and quality of proposed auxiliary services, including economic education seminars and their relationship to the goals of the IDA program

Authority

The Kansas Department of Commerce (KDC) is seeking qualified community-based organizations to implement IDA Programs and administer an individual development account reserve fund on a not-for-profit basis as outlined in the Individual Development Account Program Act established under K.S.A. 74-50,201 through 74-50,208 (the Act) on behalf of KDC. The selected organizations will provide services to KDC and meet with an appointed representative from KDC regarding Program matters.

Release of Information: Information submitted to the Kansas Department of Commerce relating to the application may be subject to the Open Records Law (K.S.A. 45-215 et seq.).

Application and Submission Instructions

Application Content

All proposals must set forth:

- Organization Introduction (250 words)
- Program Need, Summary and Program Design (550 words)
- Program Planning, Goals and Timelines (350 Words)
- Program Marketing (150 words)
- Organization Capacity and Qualifications (250 words)
- Fundraising Capacity and Program Administration Plan (250 words)
- Program Budget Justification (150 words)

All proposals must set forth the following public benefit impact measurements:

- Estimate of the number of individuals who will benefit from the proposed project.
- Describe your organization's proposed approach to developing a community-based IDA Program.
- Provide a preliminary timeline for Program development and implementation including goal setting and activities under the Scope of Work.
- State the outcomes you will achieve through this program.
- Describe your method for data collection and the evaluation tools you will use, as well as how often the evaluation will take place.

Required Attachments

Attachments and support materials must be uploaded into the application through Salesforce. Attachments and support materials will not be accepted by any other method. Required attachments are required for eligibility. The required attachments are:

Program Budget

Completed program budget utilized for the Budget Justification narrative. (template available on grant webpage)

Supporting Materials

Materials to support existing or proposed programs, including current program materials, curricula, evaluation plans:

1. Articles of Incorporation.
2. Bylaws of the organization.
3. IRS tax-exempt status notification if applicable.
4. Minutes of the board meeting where the IDA Tax Credit Program application was reviewed and approved. Please highlight or underline that portion of the minutes where the application was reviewed and approved.
    a. If minutes are confidential, the part of the board meeting where the application was approved may be submitted noting date of meeting and those attending the board meeting. Minutes may be submitted with redaction (black line) through the minutes that are not pertinent to the IDA Tax Credit Program application.
5. A current list of the organization's board of directors with addresses and phone numbers where board members may be reached.
6. A list of proposed financial institutions.

7. Proposed participation Agreements. Attach a proposed participation agreement(s) that identifies the responsibilities of the community-based organization and the financial institution to promote effective management of the Individual Development Accounts and ensure the safety and security of the accounts. Note: The participation agreement with the financial institution(s) does not need to be finalized when you submit your proposal, however it must be finalized within two months of selection as an Administrator and be submitted to Commerce for approval prior to opening Individual Development Accounts with the financial institution.

8. Financial audit of applying community-based organization. Applicants are required to submit an independent financial audit of the organization for the most recent fiscal year. If the organization has been in existence for less than two (2) years or has less than $100,000 of annual gross receipts in each of the previous two (2) years, the organization may submit a copy of their current 990 IRS form in lieu of an audit.
9. Pledge letters
10. Letters of support
11. Program Budget – complete the template provided at https://www.kansascommerce.gov/program/taxes-and-financing/ida/
12. Other: Materials to support existing or proposed program, including current program materials, curricula, evaluation plans. (optional)
13. Screenshot Submission of Kansas Secretary of State Good Standing Status

Instructions: The Kansas Department of Commerce requires that business and non-profit applicants are in good standing status with the Kansas Secretary of State (SOS) at the time of submission and throughout the duration of the grant agreement to receive grant funds. Businesses and non-profit organizations are required to upload a screenshot of current status from the Business Search of the Kansas Secretary of State webpage. Please search for your organization on the Secretary of State Business Search Webpage and take a screenshot of your organization's *general information page*. This page will have both the current organization's status and expiration date. https://www.sos.ks.gov/eforms/BusinessEntity/Search.aspx Applicants do not need to purchase a certificate of good standing. A screenshot of the general information page with the current status will suffice. *Applicants that are tribal entities are exempt from submitting a screenshot of their good standing status and should leave this upload blank.*

14. Tax Clearance Certificate
    Instructions: Description: Applicants that are Individuals, Businesses, and Non-Profit organizations must submit a valid Tax Clearance Certificate from the Kansas Department of Revenue, requested within the last 90 days of grant application submission. Tax Clearance Certificates can be requested online through an application on the Kansas Department of Revenue's secure website. https://www.kdor.ks.gov/apps/taxclearance Return to the website the following day to retrieve your "Certificate of Tax Clearance". Applications must be submitted by 5:00 p.m. Monday - Friday in order to be available the following business day. *Applicants that are tribal entities are exempt from submitting a Tax Clearance Certificate, and should leave this upload blank*
15. Signed copy of the State Policy Regarding Sexual Harassment Acknowledgment Form. Blank form here.

Submission Instructions

- Applications must be submitted through Salesforce by the application deadline.
- Application technical assistance ends at 4:00 p.m. preceding the deadline.
- Incomplete applications will not be accepted.
- Announcement will be made on or after December 2026, and results of awards will be emailed.

Technical Assistance

- For questions regarding completion of the Individual Development Account Tax Credit Program contact the Kansas Department of Commerce. Questions can be submitted by email to kerri.falletti@ks.gov. Every effort will be made to return respond to emails within 24 hours or one business day.

- For questions regarding tax issues or the completion of the appropriate tax forms, contact the Kansas Department of Revenue, Taxpayer Assistance Bureau at (785) 296-8042.

Late Applications

To maintain a fair application process, the Kansas Department of Commerce will not accept late grant applications.

For emergency circumstances please contact Kerri Falletti to discuss any extenuating circumstances that led to late submission.

Application Review Information

Kansas Commerce strives to review grants through an objective and unbiased process. Grants will be reviewed based on rubric criteria by a panel.

VALUE	DESCRIPTION	SCORE
EXEMPLARY	Clearly explains the project and its significant public value, justifying the allocation of financial support from the State of Kansas.	80-100
MEETS EXPECTATIONS	Sufficiently explains the project and its public value and may justify the allocation of financial support from the State of Kansas.	50-79
INSUFFICIENT EVIDENCE	Provides an incomplete and/or inadequate explanation of the project or its public value. The information is confusing, not very clear, and/or doesn't give enough details. Does not warrant funding from the State of Kansas.	0-49

Rubric

Grants will be reviewed and scored based on the provided rubric available in the application package.

Scoring

The maximum number of points an application can earn is 100. Reviewers will individually score each application or each section that is assigned to them. A scoring rubric will be published with the grant opportunity and on the grant webpage. Funding priority criteria may be allocated a higher percentage of the total score or weighted more.

Applications must earn enough points for their application to fall under “Meets Expectations” or “Exemplary” to be recommended for funding. Meeting one of these values does not guarantee funding for a project.

The Kansas Department of Commerce will evaluate all proposals based on the following criteria:

Program Need, Summary and Program Design (30 points)

- What is the need?
- Summary of the project.
- How does this project address the stated need?
- Are there alternative solutions?
- What steps were taken to collect input from the community?

Program Planning, Goals and Timeline (20 points)

An outline of the action plan that includes:

- Project goals and objectives
- Plan to market and promote the program
- Project timeline
- Outcomes and performance targets
- Coordination with organizations
- Data collection and evaluation tools

Organization Capacity and Qualifications (15 points)

- Organization’s experience in administering similar programs
- Ability of the organization to sustain the project over time
- Administrative controls
- Fiscal controls and audit

Fundraising Capacity and Program Administration Plan (10 points)

- Capacity to adequately administer the project and manage fundraising campaign.
- Fundraising experience for similar programs
- Fundraising plan, including ability to provide or raise funds for matching contributions
- Other sources of financial support for the program

Pledge Letters (10 points)
- Amount of pledges received
- Minimum of 50% of total request in pledges

Program Budget Justification (5 points)
- Detailed budget narrative describing all lines items
- Describe program costs to support the program

Overall quality of application: (10 points)
- Applicant has clearly, briefly and adequately completed the application and followed all directions
- Required documentation is provided, including additional supporting documents, examples include:
    - Letters of support including various partner organizations' commitment, leadership or previous service recipients.
    - Existing programs to support the program development

Selection Criteria

Kansas Commerce will announce the amount of funds available for the IDA Tax Credit Program subject to funding availability. All grant applications approved by the Department of Commerce will be funded according to the process set forth in the following:

All applications received by the deadline will be reviewed for eligibility and threshold criteria, as outlined in the guidelines. Eligible applications will then be reviewed and rated according to the established rubric and scoring matrix.

Kansas Department of Commerce may determine which grant applicants will receive state grant funds based on a number of factors, including:
- Grant reviewer scores
- Geographic distribution of grant applicants
- Services to specified populations
- History of grant applicant as a state grantee
- Applicant's capacity to perform the work
- Pre-award capacity assessment of applicant

All awards must be approved by the Secretary of Commerce.

Award Notification

Kansas Commerce strives to notify applicants of awards in a timely manner.

Awardees will be notified by email December 2026.

Grant Provisions

Grant provisions are determined by the Individual Development Account Program Act established under K.S.A. 74-50,201 through 74-50,208.

Ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services and payroll taxes
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking or traffic violations
- Out of state transportation and travel expenses. Kansas will be considered the home state for determining whether travel is out of state.

Program Administrator – Scope of Work

THE PROGRAM ADMINISTRATOR SHALL PROVIDE THE FOLLOWING SERVICES:

- Develop a community-based organization-level IDA Program that includes the following components consistent with the Act:
- Administer an individual development account reserve fund on a not-for-profit basis.
- Work with participating financial institutions to establish individual development accounts and individual development account reserve funds.
- Develop a strategic fundraising plan to recruit donations to the individual development account reserve fund from Program Donors, including methods for tracking and managing donations.
- In cooperation with participating financial institutions, submit to KDC the names, addresses, and social security numbers, of each Program Donor, along with the type of and proof of contribution, and the total amount of contribution each Program Donor makes to the IDA account reserve fund for each calendar year.
- Make matching contributions at a one-to-one ratio up to a three-to-one ratio to the development account of an individual account holder's or family's contributions to the individual development account.
- Identify the population(s) targeted for priority participation in the IDA Program and develop methods of outreach to and inclusion of the targeted population.

- Guidelines for participation in the IDA Program including a requirement that the individual account holder or the family of the account holder attend economic education seminars.
- A process for including economic education seminars in the individual development account program.
  - Economic education seminars are to be offered to individual account holders and families of account holders at no cost to the individual account holder or the family of the account holder. Economic education seminars must provide a minimum of four workshops in basic economic literacy including, but not limited to, such topics as personal finance management training, budgeting and credit repair, loans and grant resource development, and personal financial planning.
- A process for including account holders in decision-making regarding the investment of funds in the accounts.
- A process for approval of account holder withdrawals for qualified expenditures.
- A process for regular evaluation and review of individual development accounts to ensure compliance by account holders.
- Obtain annual independent audits from an independent certified public accountant of the organization's administration of the IDA Program under the Act and amendments thereto.
- Comply with the requirements of the State of Kansas Policy Against Sexual Harassment, Discrimination, and Retaliation established by Executive Order 18-04.
- Use the appropriate credit line or approved logo to acknowledge grant funding in all publications. See grant contract for credit requirements.

Accountability and Reporting

- Submit quarterly reports to KDC, utilizing the provided templates, including:
  1. Report indicating the number of accounts established, the amount of tax credits used, the amount of donations secured through the tax credits, participating financial institutions
  2. Participant list including account information for eligibility and fund tracking
  3. Any additional information as may be requested by KDC.
- Submit, a minimum of quarterly, completed tax credit applications along with required verification to KDC so certificates may be issued to Program Donors.
- Maintain complete and accurate grant records, including all documentation, for a minimum of three years after the end of the grant period.

Tax Credit Allocations

Awarded tax credit allocations will be awarded January 1 of each awarded year and be available during the coinciding calendar year.

Release of information

Information submitted to the Kansas Department of Commerce relating to the application may be subject to the Open Records Law (K.S.A. 45-215 et seq.). Confidentiality will not be guaranteed.

Contact Information

For more information about this grant, please contact:

Kerri Falletti
IDA Program Manager
Quality Places Division
915 SW Harrison
Topeka, KS 66612
Kerri.Falletti@ks.gov

Frequently Asked Questions

1. What is the IDA tax credit program?
   IDA allows administering organizations to provide qualified Kansans of low-income levels the opportunity to achieve financial self-sufficiency through education and asset development via special savings accounts. An Individual Development Account, also known as an "IDA," is a savings account for low-income workers that can be used for small-business development, higher education, or the purchase of a first home. Each time a Program Participant makes a deposit; the IDA Program contributes an additional deposit called a "match." The match can be up to a 3:1 match on every dollar a participant saves. For example, if an IDA program offers a 2:1 match, each time a deposit of $25 is made, the program sets aside an additional $50.
   Kansans with higher income levels can help others achieve financial independence by contributing to the program while receiving up to a 75% income tax credit for their donation to the program.
2. What is the maximum amount of tax credits that can be applied for?
   The maximum amount of tax credits is $100,000. There is no minimum. However, if the total amount of requests for tax credits by community-based organizations is less than $500,000, additional tax credits may be awarded by Commerce to a previously selected Program Administrator.
3. What is the Kansas Department of Commerce's role in soliciting tax credits?
   It is the responsibility of the Program Administrator (nonprofit organization) to solicit donations, complete the necessary paperwork and send the information to the Kansas

Department of Commerce for processing. Kansas Department of Commerce will provide contact information to potential donors that are interested in donating.

4. What happens if an organization doesn't use all of its allotted tax credits?
   The Kansas Department of Commerce will evaluate the credit utilization of every project at the end of 12 months. If, after notice has been provided by Commerce, an organization is unable to provide written evidence that their remaining credits will be utilized, Commerce reserves the right to reduce the number of tax credits for that project and re-allocate those credits to other projects so they can be utilized before the expiration date.
5. Who is eligible for tax credits?
   The tax credit is for contributions made by business firms or individuals subject to Kansas income tax, Kansas privilege tax or the premium tax or privilege fees imposed on insurance companies. The minimum amount that can be donated is $250. There is no maximum amount.
6. Are IDA tax credits refundable or carried forward?
   Tax credits are refundable and must be claimed in the year they are issued.
7. Are IDA tax credits transferrable?
   No, these tax credits are not transferrable.
8. How do program donors receive their tax credit certificate?
   Once the Kansas Department of Commerce makes the Individual Development Account Tax Credit award, Program Administrators will have the ability to download a copy of the tax credit certificate through the Kansas Department of Revenue.
9. Who qualifies for the credit?
   The contribution credit is a tax credit for contributions made by business firms or individuals subject to Kansas income tax, Kansas privilege tax, or the premium tax or privilege fees imposed on insurance companies. Donations must be $250.00 or greater, and the payment should come directly from either the business firm or the individual.
10. Special features of the credit
    Any tax credit issued by an approved organization that exceeds the tax liability of the contributor shall be refunded to the taxpayer. Credits must be claimed in the year they are issued.
11. What kinds of contributions qualify?
    - Cash, Check or Electronic Deposit – documented by a receipt, letter or proof of deposit. Donor name must be listed.
    - Stocks & Bonds – documented by the transfer certificate and valued by the stock market price on *the day of the transfer*. Donor name must be listed.