

SAMPLE APPLICATION
Minority Business Development Agency (MBDA)
Competitive Solicitation for Applications

Native American Business Enterprise Center Program
North Carolina, Minnesota/Iowa, New Mexico and Oklahoma

MBDA is soliciting competitive applications for operators of its Native American Business Enterprise Center (NABEC) programs in North Carolina, Minnesota/Iowa, New Mexico, and Oklahoma pursuant to the notice published in the *Federal Register* (74 FR 18562) and the Announcement of Federal Funding Opportunity (FFO) posted on www.grants.gov and on the MBDA Internet website at www.mbda.gov.

This sample application is intended to provide guidance in the preparation of an application for funding under this competitive solicitation. Information provided herein is based on the FFO for this competition. An applicant's adherence to this sample does not guarantee that MBDA will select its application for funding. Prospective applicants should carefully review the application requirements set forth in the FFO to help ensure the submission of a complete and responsive application. **Prospective applicants should also review the NABEC Program Objectives, Program Work Requirements, Performance Measures, Minimum Performance Goals and the Information Technology and Computer Requirements, all of which are set forth in the FFO.**

Applications responsive to this solicitation will be evaluated and projects will be selected for funding based on defined evaluation criterion and selection procedures set forth in the FFO. A copy of the MBDA Panel Evaluation Tool to be used by the review panel in evaluating applications is available on the MBDA Internet website.

The closing date for MBDA's receipt of applications under this competitive solicitation is **June 4, 2009 at 5:00 p.m. Eastern Daylight Time (EDT)**. Applications may be submitted in paper format or electronically through www.grants.gov. The submission deadline is the same for paper and electronic applications. Please refer to the FFO for additional application and submission information.

A complete application, whether filed in paper format or electronically, should be in the order and contain the information set forth in Appendix D (Content and Format of Application) of the FFO. Applications will be evaluated and selected by MBDA based on the evaluation criterion and selection procedures provided in Appendix E (Evaluation Criterion and Selection Procedures) of the FFO. This sample application follows the format of the FFO and highlights the evaluation criterion used to evaluate each section of the application.

NOTE: Most Applications received by MBDA contain strong program narratives, but inconsistent budgets/budget narratives for each program year. It is important that applicants synchronize these two major components of their proposal.

- A. **Cover Page:** At a minimum the Application cover page must provide the applicant's name, address, telephone number, email address, date of submission and the NABEC Project for which the applicant is applying

SAMPLE COVER PAGE

The ABC Applicant Group
123 Main Street
Any Town, Any State, 12345
(123) 456-7890
(123) 456-0789 Fax
email@emailaddress.com
www.website.com

Application to the
Minority Business Development Agency
For Operation of the
[Insert Project Name] Native American Business Enterprise Center (NABEC)

(date of submission)

- B. Table of Contents:** Applicants should outline the full contents of the application and provide corresponding page numbers. Applicant should number all pages of the application consecutively.

Items included in this table are for illustrative purposes and the applicant should construct the Table of Contents as its proposal dictates.

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Forms: These items are an important component in the application. Failure to submit a fully completed SF 424 will result in the application being rejected. Failure to submit the remaining forms will cause the application in losing points in the overall score. Ensure that forms are signed and dated, where required.

Forms:

1. Standard Forms (SF)

- | | |
|--|---|
| a) SF – 424 (one; summarize all periods) | x |
| b) SF – 424A (3 sets; one for each program year) | x |
| c) SF – 424B | x |
| d) SF – LLL (if applicable) | x |

2. Commerce Department Forms

- | | |
|-----------|---|
| a) CD 511 | x |
|-----------|---|

Attachments: These items are important to the application and are viewed by the panel as key documents in support of the overall application. Certain attachments must be included at the time of submission (i.e. proposed project director and 3rd party in-kind contributor information).

Attachments:

- **Proposed Project Director**
 - o Letter of commitment
 - o Resume
 - o Copy of Transcript (if applicable)
- **3rd Party In-Kind Contributors**
 - o Letter of commitment
 - o Original signature and date
 - o Fair market valuation of financial contribution (if applicable)
- **Letters of Community Support**
- **Strategic Partner(s)**
 - o Letter(s) of commitment

NOTE: In preparing the program narrative and accompanying documentation, applicants should carefully consider the (i) work requirements, and the (ii) minimum performance goals set forth in the FFO. Applicants should carefully review the panel evaluation tool at www.mbda.gov for better understanding as to what information should be provided to maximize the application score.

C. Program Narrative:

1. Applicant Capability (40 points)

For this criterion, the applicant must consider, among other things, knowledge of the respective geographic economic region, i.e. Native American and Minority Business demographics, an assessment of the community's needs, prior experience in matchmaking, brokering, coaching and mentoring. A critical area of assessment is the applicant's client base and its ability to assess and evaluate client's needs. Consideration will be given as to whether the applicant has a physical presence in the geographic service area at the time of its application. *It is important that the applicant demonstrate its capabilities in the delivery of applicable services pertaining to the NABEC Work Requirements, as outlined and performance goals outlined in this FFO.* Specifically, proposals will be evaluated as follows:

- a) Community (4 points)** – Experience in and knowledge of the Native American and minority community, Native American and minority business sector, and strategies for enhancing its growth and expansion; particular emphasis shall be on expanding SGI firms. Consideration will be given as to whether the applicant has a physical presence in the geographic service area at the time of its application.
 - Applicant should include a detailed narrative discussion of its organization's background with emphasis on its knowledge of and experience with the Native American and Minority community and Native American and Minority business sector within the geographical service area.
 - Applicant should demonstrate its experience and strategies for enhancing the Native American and Minority community and Native American and minority business sector growth in the defined geographic service area.
 - Detailed discussion of its delivery of applicable services as outlined in this FFO in the geographical service area, and must demonstrate knowledge of expanding SGI and or rapid growth potential clients in the defined geographical service area.
- b) Business Consulting (5 points)** – Experience in and knowledge of business consulting with respect to minority firms, with emphasis on SGI and rapid growth potential Native American and minority firms.

- Applicant must demonstrate experience in and knowledge of business consulting with respect to Native American and Minority firms, with emphasis on SGI firms and rapid growth potential Native American and minority firms, in the geographic service area and must provide a narrative discussion on related client outcomes (successes & accomplishments)
- c) **Financing – (5 points)** – Experience in and knowledge of the preparation and formulation of successful financial transactions, with an emphasis on the geographic service area. Applicant will be evaluated on its organization’s professional working relationships within and outside of the area with Native American, minority and non-minority financial institutions. In addition, Applicant’s and proposed staff’s private and public sector involvement in obtaining financings that could assist in operating the NABEC, will be reviewed and assessed.
 - Demonstrate experience in matching Native American and minority businesses with sources of capital. Be specific and provide related success stories on client outcomes.
 - Demonstrate experience and knowledge in producing loan packages and/or bonds applicable to Native American and minority businesses.
 - Experience and knowledge in producing and / or assisting with equity / venture capital.
- d) **Procurement and Contracting (5 points)** – Experience in and knowledge of the public and private sector contracting opportunities for Native American and minority businesses, as well as demonstrated expertise in assisting clients into supply chains. Include success stories (e.g. dollar volume of any successful procurement and / or contracting transactions).
 - Demonstrate experience in the knowledge of public and private sector contracting and/or opportunities.
 - Applicant must demonstrate experience in facilitating contracts and procurements to minority businesses.
 - Applicant must demonstrate experience in assisting Native American and minority businesses into supply chains.
 - Applicant must demonstrate the ability to assist Native American and minority businesses in the areas of joint ventures and/or teaming.
- e) **Financing Networks (5 points)** – Resources and professional relationships within the corporate, banking and investment community that may be beneficial to Native America and minority business owned firms.

- Applicant must demonstrate knowledge of the resources and professional relationships within the corporate, banking and investment community that can be beneficial to Native America and minority owned firms. List financial/lending institutions, equity / angel investors/ bonding etc., that the applicant and proposed staff may have a relationship with that could assist in operating the NABEC. Include dollar volume of successful financial transactions.
- Demonstrate working relationships with financial institutions capable of providing loans (alternative and/or standard) and other financings to Native American and minority owned firms.
- Demonstrate working relationships with financial institutions capable of providing bonds (alternative and/or standard) to minority owned firms in the construction industries.
- Demonstrate working relationship with financial entities capable of providing equity and/or venture capital to Native American and minority clients.

f) Establishment of a Self-Sustainable Service Model (3 points) – Applicant is requested to submit a summary plan (approximately 2-3 pages in length) describing how it would leverage MBDA funds to help create a self-sustainable service model for continued service to the Native America and minority business community. In preparing this section of the program narrative, it is important that the applicant demonstrate its capabilities as they pertain to the NABEC Work Requirements and performance goals outlined in the FFO.

- Describe a plan to establish a self-sustaining model for continuing to service the Native American and MBE community beyond receipt of MBDA funds.
- Applicant must submit a self-sustaining model feasible for execution in three years or sooner.

g) MBE (Minority Business Enterprise) Advocacy (3 Points) – Experience and expertise in advocating on behalf of the Native American community, Native American tribal entities and minority businesses, both as to specific transactions in which a Native American and minority business seeks to engage and as to broad market advocacy for the benefit of the Native American and minority community at large.

- Applicant must demonstrate prior activity that broadens market opportunities for all minority businesses.
- Applicant must demonstrate prior activity that yields specific transactions for minority businesses.

h) Key Staff (10 Points) – An assessment will be made of the Applicant's key staff's qualifications, experience and proposed role of staff that will operate the NABEC. In

particular, an assessment will be made to determine whether proposed key staff possess the expertise in utilizing information systems (*see* FFO Appendix C, Information Technology and Computer Requirements) and the ability to successfully deliver program services (*see* FFO Appendix A, Work and Training Requirements). At a minimum the applicant must identify a proposed project director.

- Applicant must demonstrate that proposed staff (not contractors) has experience in working with SGI and/or rapid growth-potential clients.
- Applicant must demonstrate that proposed staff has experience in facilitating access to capital and securing financial transactions for potential clients.
- Demonstrate that proposed staff has the experience in access to markets; securing procurement/contracting opportunities with private and/or public entities for potential clients.
- Demonstrate that proposed staff has the required experience in utilizing information systems.
- Applicant must demonstrate how they will maximize total number of consulting hours available for the NABEC in a program year.

In addition to the above, the Applicant is required to provide the following items to complete the “**Capabilities**” criterion of the Program Narrative for this application:

- a) Business and Staff organization charts
- b) Original, signed commitment letters from proposed third-party, in-kind contributors with delineated value of contribution(s).
- c) A resume setting forth the qualifications of the Project Director
- d) A copy of official college transcript as appropriate, for the proposed Project Director
- e) Commitment letter from the proposed Project Director (attesting to serving as the Project Director)
- f) Resumes, position description and qualification standards of all key individuals who will be involved in operating the NABEC
- g) Position descriptions, along with qualification standards and salary ranges for all staff
- h) A copy of Applicant Organization’s Articles of Incorporation, by-laws and IRS 501(c)(3) tax-exempt letter or other evidence of non-profit status (as applicable).

2. Resources (20 points)

In this section, the applicant must show how it plans to carry out the NABEC work requirements as related to resources. In addition to addressing each of the sub-criteria stated below as per Appendix E, Section A.2 of the FFO, applicants should include a detailed narrative discussion of the internal and external resources (e.g., strategic partners) that are expected to be leveraged by

the applicant in implementing its program. For this purpose, the applicant's non-federal cost share should be discussed as part of the program proposal budget and not as part of the program resources. Finally, the applicant should discuss its plans to satisfy the MBDA-required IT and computer requirements (see FFO Appendix C, Information Technology and Computer Requirements).

- a) Resources (8 points)** – Resources (not included as part of the non-federal cost share) that will be used in implementing the program, including but not limited to existing prior and/or current data lists that will serve in fostering immediate success for the NABEC.
 - The applicant is required to provide a list of established resource providers. For example: banks, financial institutions, bonding companies, business consultants, chambers of commerce, trade associations, state, local and private technical assistance providers that are available to assist Native American and minority companies through the established relationships of the applicant.
 - The applicant must demonstrate its ability to conduct ongoing analysis of procurement and financial databases.
 - The applicant must discuss what resources will be utilized to accomplish the work requirements (not included as part of the cost-sharing arrangements)
 - Applicant must discuss how it plans to establish and maintain a network of resources.
- b) Location (2 points)** – Assessment of the Applicant's strategic rationale for the proposed physical location of the NABEC. Applicant is encouraged to establish a location for the NABEC that is in a building which is separate and apart from any of its existing offices in the geographic service area.
 - Applicant must provide proof / discussion that the NABEC will be located separate and apart from existing operator offices.
- c) Partners (5 points)** – Applicant must demonstrate how it plans to establish and maintain a network of a minimum of five (5) of strategic partners, and describe how these partners will support the NABEC in meeting program performance goals.
 - Applicant must demonstrate how it will establish and maintain the network of five (5) (minimum) strategic partners throughout the program year.
 - Applicant must provide a discussion as to how the 5 strategic partners will support the NABEC to meet its performance (e.g. goals, budget objectives).
- d) Equipment – (5 points)** – Applicant must demonstrate how it plans to satisfy the NABEC information technology requirements, including computer hardware, software requirements and network map (see Appendix C, Information Technology and Computer Requirements of the FFO)

- The applicant must provide a discussion/outline as to how they intend to meet the computer requirements with respect to hardware and age of computers.
- The applicant must provide (a) network map, and (b) agreement to adhere to MBDA security requirements.
- Applicant must demonstrate its adherence to meeting the website, URL and Internet information requirements.

Additional attachments in this section should include;

- Original commitment letters from those resources willing to work with the applicant. These resources can include such items as facilities, equipment, voluntary staff time and space, and financial resources.
- One or two letters of support (with contact information) from prior assisted larger minority firms and community organizations from those resources willing to work with the applicant.
- A general description of its existing client base as part of its program resources.

3. Techniques and Methodologies (20 points)

For this section, **the applicant must show how it plans to carry out the NABEC work requirements for each of the program years.** It is important that the applicant adhere as much as possible to the MBDA's programmatic requirements that are defined in the FFO, 1. Funding Opportunity Description, Section C - "Program Work Requirements" and Appendix A. Work and Training Requirements, Section C - "NABEC Work Elements".

- a) Performance Measures (10 points) – For each program year,** the applicant must demonstrate the manner in which it relates each performance measure to the financial information and market resources available in the geographic service area (including existing client list); how the applicant will create the NABEC brand recognition (market plan); and how the applicant will satisfy program performance goals. In particular, emphasis may be placed on the manner in which the applicant matches NABEC performance goals with client service hours and how it accounts for existing market conditions in its strategy to achieve such goals.
- The applicant must provide a detailed narrative discussion on the techniques and methodologies to be used in implementing its programs, and how it plans to meet and or exceed the minimum performance measure. The applicant is requested to provide a quarterly breakdown of the performance goals *for each program year.*

Refer to FFO section I. Funding Opportunity Description - E. “Minimum Performance Goals”. A sample quarterly performance goal chart is provided below.

Example: Annual goal performance chart (Time Phased Plan) - Goals in this sample chart are fictitious goals. Please refer to the FFO for the appropriate goals for your respective application.

Example: Cumulative Performance Goals Year 1

Performance measures	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total Annual Goal (1)
\$Value of Awarded Contracts & Procurements	\$2,500,000	\$6,875,000	\$11,250,000	\$15,000,000	\$15,000,000
\$ Value of Awarded Financial Transactions	\$2,000,000	\$4,500,000	\$7,000,000	\$10,000,000	\$10,000,000
Increase in Sales	\$1,000,000	\$2,250,000	\$3,500,000	\$5,000,000	\$5,000,000
Number of Jobs Created	10	20	35	50	50
Number of New Clients	25	50	90	100	100
Resources Entries	50	100	150	200	200
Partnerships	5	5	5	5	5
Facilitated Matches	1	3	4	5	5

Note: a quarterly performance goal chart is required for each program year.

- Applicant is to provide a discussion demonstrating its ability and capacity for understanding its existing market conditions and how it plans to use this knowledge in achieving its goals.
 - The applicant’s proposal must reflect a system that corresponds to or may compliment MBDA’s tracking and validating of contracts and financial transactions.
 - Applicant must relate each performance measure to the financial, information and market resources available in the defined geographic service area.
 - Applicant’s performance outcomes must match the proposed quarterly performance breakdown and estimated client service hours delivered to clients by annual sales range. These hours must correspond to the applicant’s proposed budget.
- b) Start-Up Phase (3 Points)** – The applicant is required to demonstrate how it will commence the NABEC operations within the required initial 30-day period. The NABEC will have thirty (30) days to become fully operational after an award is made (see FFO Appendix A, Work and Training Requirements). Fully operational means that all staff is hired, signs are up, furniture and equipment are in place and operational, all necessary forms are developed (e.g., client engagement letters, other standard correspondence etc.) and the Center is ready to open its doors to the public.
- The applicant must demonstrate how this requirement will be met; timelines must be provided.

- The applicant should include a description in its proposal showing how they intend to establish a detailed organizational & functional framework for the management and operation of the NABEC. This narrative should include but not be limited to: how the Center will recruit staff and clients as well as leverage its current roster of Native American and minority business enterprises.

c) Work Requirements Execution Plan (7 Points) - The Applicant will be evaluated on how effectively and efficiently staff time will be used to achieve the work requirements, particularly with respect to the period beyond the start-up phase. (see FFO Appendix A, Work and Training Requirements)

Applicant should include a specific plan of action detailing how the NABEC work requirements will be met for each of the three (3) funding periods and how the Applicant will integrate the work requirements with the NABEC program performance measures. It is also important that the Applicant include information on how the applicant will integrate the NABEC program service requirement to its existing infrastructure. Applicants should develop and submit a proposed marketing plan as part of their proposal responding to this criterion. This plan should be strategic in order to maximize the number of SGI firms it will serve throughout each funding period

- The Applicant should define how it plans to deliver services in the designated geographical area, including how the NABEC will be established, and the methodology for accomplishing the work requirements
- The Applicant should include a detailed work plan, including an estimate of client service hours to be delivered to clients (by NABE/MBE annual sales range – “Client Fee Chart”) which delineates a schedule of proposed activities and milestones for implementing tasks under the award.

Example: Client Fee Chart – Year One

Client by Annual Sales Range	Estimated Number of Clients	(Identify) Service Type & Hrs		(Identify) Service Type & Hrs		(Identify) Service Type & Hrs		(Identify) Service Type & Hrs	
\$0 - \$99,999									
\$100,000 - \$299,999									
\$300,000 - \$999,999									
\$1,000,000 - \$2,999,999									
\$3,000,000 - \$4,999,999									
\$5,000,000 and Above									

Note: a client fee chart should be submitted for each program year.

- Applicant must indicate how it will utilize staff to execute the work plan, and must provide a staff allocation summary, as per the example below. The staff allocation

summary should indicate each role and the estimated client-service hours to be delivered by each staff person.

Example: Staff Allocation Summary – Year One

Role	Status	Project Allocation	Hours	Client consulting Hrs & %		Admin Time Hrs & %		Other (List Here) Time Hrs. & %	
Project Director	Full Time	100%	2,050.0	1,025.0	50%	512.5	25%	512.5	25%
Business Consultant	Full Time	100%	2,050.0	1,742.5	85%	102.5	5%	205.0	10%
Admin. Asst.	Full Time	100%	2,050.0	389.5	19%	1,660.5	81%	0	0%
Intern	Part Time	50%	1,025.0	307.5	30%	512.5	50%	205.0	20%
Total			7,175.0	3,464.5	48.2%	2,788.0	38.9%	922.5	12.9%

NOTE: Client consulting time is actual billable hours. Total fees collected must correspond to the budget narrative.

Total fees collected = billable hours less fee waiver and estimated fees not collected.

Note: The applicant must provide a staffing allocation summary as per the above sample, for each program year as part of the work requirements execution plan.

The staff allocation summary must be based on a Project Director at 100% of his/her time to the NABEC. Each staff role must be identified as full or part-time with the estimated hours to be worked on weekly basis. The staff allocation summary should indicate each role and the estimated client-service hours to be delivered by each. Please see the sample staffing allocation above.

4. Proposed Budget and Budget Narrative (20 points)

For this criterion, in addition to addressing the sub-criteria stated in Appendix E, Section 4 of the FFO, and as stated below, applicants must submit separate budgets, budget narratives and the SF424A for **each program year**. Costs to the organization are expenses that will be incurred in order for it to operate effectively. This section must contain a budget narrative. The budget narrative must provide information on how the money is going to be used and why. All proposed budget items must be accompanied by a narrative explanation, on a line-item basis. The proposed budget must be appropriate to the work requirements of the NABEC and the applicant's overall proposal. The budget narrative must provide sufficient information to justify line item expenditures in the SF-424A and the relationship to the program narrative. The cost criterion is comprised of three parts, (a) reasonableness, allowability and allocability of proposed program cost, (b) applicant's proposed non-federal cost share, and (c) performance-based budget.

- a) Reasonableness, Allowability and Allocability of Costs (5 Points).** All of the proposed program costs expenditures should be discussed and the budget line-item narrative must match the proposed budget. Fringe benefits and other percentage item

calculations should match the proposed budget line-item and narrative. Costs must be budgeted for, on a per-event, per-person, per-item, for each of the training events set forth in Appendix A, Work and Training Requirements of the FFO, as indicated. If a venue for an event is not stated, applicants are to assume that the event will be held in Washington D.C. Applicants may include training cost under federal and/or non-federal cost share.

- Applicant must provide an adequate descriptive narrative for each line item (by object class category) of the Federal and Non Federal Costs in the proposed budget which justifies and sufficiently breaks down each proposed cost. This must include detailed costs for staff participation, personnel, fringe benefits, travel, and all other expenditures for the activities identified in the Announcement. Federal contribution to the budget is non-negotiable. The full amount of Federal funds designated for the award must be used in its entirety in the proposed budget.
- Cost must be reasonable, allowable under the cost principals, and allocable to an NABEC Award.
- Applications will be assessed as to what extent direct costs are allocated to key consulting staff.

b) Proposed Cost Sharing – Non Federal Cost Share (5 Points) The required 10% non-Federal share must be adequately addressed and properly documented, including but not limited to how client fees (if proposed) will be used by the applicant in meeting the non-federal cost-share (see FFO section III. Eligibility Information -B. Non- Federal Cost sharing Requirements). The NABEC is required to charge client fees for services rendered. Non-Federal cost share must be itemized for each of the proposed program years on the SF-424A, the program line-item budget and in the budget narrative. All third-party, in-kind contributions must be supported by an original and signed commitment letter from those resources, for each of the funding periods. Failure to provide this document may result in the disallowance of the amount proposed and evaluation points to be reduced.

Note: If proposed, applicants must provide for how client fees will be used to meet the non-federal cost share. Client fees must be consistent with the amount and types of clients to be served as outlined in the FFO. Client fees must be charged to all eligible clients regardless of minority group identification. The applicant should take great care in projecting the number of hours it will serve clients. It is highly recommended that the applicant estimate the type of client it anticipates serving (by sale range). It should then break-out the type of services it may provide its clients followed by the estimated number of hours to complete the tasks (i.e. consulting services, loan packaging, bid preparation assistance, etc.). These hours can then be multiplied by the client fees rate as listed in section III. Eligibility Information -B. Non-Federal cost sharing requirements, of the FFO. Individual sums should be tallied and result in a total estimate of anticipated fees billed in each program year. The

number of consulting hours must match the total staff allocation summary for consulting hours, as so indicated in your “staffing allocation chart”. This information should be outlined for each program year and should be included in the applicant’s methodology for estimating the amount of fees to be billed and to be collected.

It is also important to note that in some cases the NABEC may apply a fee waiver policy and/or accounts not collectable. If fees are proposed, the applicant must also indicate, for each program year, at what point fees are charged to its clients (e.g., upon completion of work assignment and /or successful completion of awarded transaction) and how it intends to collect fees. These items should be taken into consideration and discussed in the budget narrative.

- Applicant must propose at least 10% non-Federal Cost share amount of the total project cost and are encouraged to charge client fees for services rendered as part of the 10% non-federal cost share.
- Applicant must provide original signed commitment letters or other proper documentation from the non-federal cost share providers (third party contributors) attesting to the amounts included in the proposal, for each funding year. Failure to provide these documents shall require an adjustment to the budget/proposal

c) Performance Based Budget (10) Points) – Application will be assessed as to the extent to which the line-item budget and budget narrative relate to the accomplishment of the NABEC work requirements and performance measures (i.e., performance-based budgeting)

- Applicant must provide a discussion / explanation as to how the budget is related to the accomplishment of the work requirements and the Performance measures.
- Applicant must provide a budget narrative that clearly links the NABEC accomplishments of the work requirements to its performance measures.

Non-Federal Cost Share Bonus

Bonus for Non-Federal Cost Sharing (maximum of 5 points): Proposals with non-federal cost sharing exceeding 10% of the total project costs will be awarded bonus points on the following scale:

- | | |
|---------------------------------|------------|
| ○ More than 20% - less than 25% | = 1 point |
| ○ 25% or more – less than 30% | = 2 points |
| ○ 30% or more – less than 35% | = 3 points |
| ○ 35% or more – less than 40% | = 4 points |
| ○ 40% or more | = 5 points |

Non-Federal cost sharing of *at least* 10% is required under the NABEC Program. Non-federal cost sharing is the portion of the total project cost not borne by the Federal Government and may be met by the applicant in any one or more of the following four means (or a combination thereof): (1) client fees; (2) cash contributions; (3) non-cash applicant contributions; or (4) third party in-kind contributions. See FFO section III - B. Non-Federal Cost Sharing Requirement.

Oral Presentation – Optional (10 Points)

Oral presentations are optional and held only when requested by MBDA. This action may be initiated for the top two (2) ranked applications for each project and will be applied on a consistent basis for each project competition. Oral presentations will be used to establish a final evaluation and ranking score.

EXAMPLE: Budget Narrative. Applicant must provide a Budget Narrative for each program year.

Budget Narrative (Sample)
[Year One]

The **ABC Group (ABCG)** is committed to the development and delivery of services to minority business enterprises in the geographic service area of (insert location) through the operation of the Native American Business Enterprise Center (NABEC) program. Outlined below is a summary of each line item and its requested budget:

NOTE: The NABEC requires a minimum non-federal cost share of 10%. The following chart represents a budget that exceeded the 10% cost share requirement, and would be entitled to earn the respective bonus points as noted in the FFO. Federal funding amounts in this sample budget are fictitious. Please refer to the FFO for the appropriate federal funding amount for your respective application

Resources	\$ Amount	%
Federal	\$225,000	68.00%
Non Federal	\$105,850	32.00%
Total	\$330,850	100.00%

Federal and Non Federal Resources & Expenditures (Summary) Year One

		Federal Funds	Non Federal Share – Cost Share				
			Applicant	Program Income – Client Fees	3 rd Party In-kind contribution	3 rd Party Cash Contribution	Total Budget Proposed Year One
	Budget Resources	\$225,000	\$39,192	\$38,440	\$2,100	\$26,118	\$330,850
a	Personnel	\$200,000					\$200,000
b	Fringe Benefits	\$25,000	\$15,000				\$40,000
c	Travel			\$5,000		\$10,000	\$15,000
d	Equipment					5,001	\$5,001
e	Supplies			\$5,432		\$6,267	\$11,699
f	Contractual		\$1,050		\$2,100	4,850	\$8,000
g	Other		\$23,142	\$28,008			\$51,150
h	Total Direct						
I	Indirect Charges						
J	Total	\$225,000	\$39,192	\$38,440	\$2,100	\$26,118	\$330,850

NOTE: Provide a client fee schedule as per the FFO requirement.

Client Fee Schedule \$38,440 - (Schedule Sample)

NOTE: As indicated on page 13 of this “Sample Application,” the ABC Group has proposed a total of 3,465 hours of Client Consulting in the Staff allocation Summary chart. It is further illustrated in the following Client Fee schedule that collectable fees will net \$38,440, for *year one*.

Client Fees Schedule and Waiver/Discount Chart – Year One								
		Group Training Sessions (# of Hours)	Financial Loan and Equity Assistance (# of hours)	Procurement/ Contract Assistance # of hours)	Certification Assistance (# of hours)	Other M&T Assistance (# of hours)	Total Hours	Total Hours times Client Fee Rate
\$0 - \$99,999	\$10.00	91	225	100	100	170	686	\$6,860
\$100,000 - \$299,999	\$20.00	105	200	75	65	55	500	\$10,000
\$300,000 - \$999,000	\$30.00	112	250	65	38	25	490	\$14,700
\$1 million to \$2,999,999	\$40.00	371	75	30	24		500	\$20,000
\$3 million to \$4,999,999	\$50.00	490	100	15	10	10	625	\$31,250
\$5 million and over	\$60.00	511	90	24	39		664	\$39,840
Total		1,680	940	309	276	260	3,465	\$122,650
28.00%	Client Fee Adjustment: The community has experienced a 28% lending/contracting declination ratio due to this recent economic slowdown caused by falling housing prices, tightening of credit, and rising gasoline prices has had a fair share in this economic slowdown.							(\$34,342)
35.00%	Uncollectible: The business community is also experiencing a 35% uncollectible debt ratio.							(\$42,928)
5.66%	Bad Checks: The Applicant is experiencing a 5.659% bad check ratio (insufficient Funds) from clients							(\$6,942)
	TOTAL Program Income							\$38,438

EXAMPLE: The Budget Narrative provides specificity on the costs required (by line item, *see* SF-424a) to successfully operate the NABEC for each program year.

Budget Narrative

a. Personnel Salaries

\$200,000

The **ABC Group** proposes 4 staff for this program (i.e. one project director, two business consultants and one administrative assistant). A full-time employee will work 2,000 hours in each twelve month program period.

Position	Annual Salary	Status	Project Allocation	Program Expense
Project Director	\$80,000	Full-time	100%	\$ 80,000
Business Consultant A	\$70,000	Part-time	50%	\$ 35,000
Business Consultant B	\$70,000	Part-time	50%	\$ 35,000
Administrative Asst.	\$50,000	Full-time	100%	<u>\$ 50,000</u>

Total Personnel Salaries

\$200,000

Personnel salaries will be expensed as follows:

- Federal Share \$200,000
- Non Federal \$0

b. Fringe Benefits

\$40,000

The **ABC Group** proposes the following fringe benefits schedule for its proposed staff. This table includes: employer payroll taxes (Social Security, Medicare, Federal Unemployment, State Unemployment), Health, Dental, and Life Insurance premiums, Workers Compensation insurance premiums.

NOTE: Applicant should provide their Fringe Benefits Breakdown by each employee. Also, please include percentage for each fringe benefit category per month / and total annual \$ amount.

Fringe Benefit Schedule

Position	FICA 7.7%	Medicare 1.50%	FUTA 2.5%	SUTA 1.75%	Health Ins.	Dental Ins.	Life	Other (please specify) i.e.401K	Workers Comp. 1.00%	Total
Project Director \$80,000 yr. (Full-time)	\$6,160	\$1,200	\$2,000	\$1,400	\$255 Mo. x 12 mo = \$3,060.	\$55 mo. x 12 mo = \$660	\$25 mo x 12 mo = \$300	N/A	\$800	\$15,580
Business Consultant A \$70,000 yr. (Part-time)	\$2,695	\$525	\$875	\$613	\$255 /mo x 6 mo = \$1,530	\$55 /mo. x 6 mo = \$330	\$25 /mo x 6 mo = \$150	N/A	\$350	\$7,068
Business Consultant B \$70,000 yr (Part-time)	\$2,695	\$525	\$875	\$612	\$255 /mo x 6 mo = \$1,530	\$55 /mo. x 6 mo = \$330	\$25 /mo x 6 mo = \$150	N/A	\$350	\$7,067
Adm. Asst. 50,000 yr. (Full-time)	\$3,850	\$750	\$1,250	\$875	\$165 mo x 12 mo = \$1,980	\$65 mo. x 12 mo = \$780	\$25 mo x 12 mo = \$300	N/A	\$500	\$10,285
Total	\$15,400	\$3,000	\$5,000	\$3,500	\$8,100	\$2,100	\$900	0	\$2,000	\$40,000

Fringe Benefits will be expensed as follows:

- Federal Share \$25,000
- Non Federal \$15,000

c. Travel

\$15,000

The ABC Group proposes the following travel to cover related program and training requirements. Travel costs include overnight and local travel expenses.

Over Night Travel \$14,664
Local Travel \$ 336
 Total Travel \$15,000

NOTE: Travel should be budgeted at fair market and/or historic levels. Overnight travel should include airfare, hotel accommodations, car rental, mileage and/or gasoline reimbursement, meals, parking, cab fare, tolls, incidentals. Itemize cost per each staff member.

Reference and provide a copy of applicant's travel policy and procedures. If applicant does not have policy and procedure for travel cost, cost will be dictated by Federal per diem cost/schedule.

Overnight Travel**\$14,664**

The following is a breakout of overnight travel and related costs.

Sample Breakdown of Travel Cost

Post Award Conference							
NABEC Staff Member	Airline	Hotel 2 nights @ \$115 per night	Car Rental	Auto Exp. @ .20 cents per mile - x 80 miles	Meals \$75 per day x 2 days	Parking	Total
Operator	\$660	\$230	\$154	\$16.	\$150.	\$44.	\$1,254.
Project Director	660	230		16.	150.		1,056.
Sub Total	\$1,320.	\$460.	\$154	\$32	\$300.	\$44.	\$2,310.

MBDA National Conference – TBD							
NABEC Staff Member	Airline	Hotel 4 nights @ \$136.25 per night	Car Rental	Auto Exp. @ .20 cents per mile x 100 miles	Meals \$75 per day x 4 days	Parking	Total
Operator	\$660	\$545	\$300.	\$20.	\$300.	\$88	\$1,913
Project Director	660	545		20.	300.		1,525.
Sub Total	\$1,320.	\$1,090.	\$300.	\$40	\$600.	\$88.	\$3,438

Regional MED WEEK							
NABEC Staff Member	Airline	Hotel 2 nights @ \$115. per night	Car Rental	Auto Exp. @ .20 cents per mile x 100 miles	Meals \$75 per day - x 2 days =	Parking	Total
Operator	\$660	\$230.	\$130.	\$20.	\$150.	\$100.	\$1,290
Project Director	660	230.		20.	150.		1,060.
Sub Total	\$1,320.	\$460.	\$130.	\$40	\$300.	\$100.	\$2,350

National MED Week – Washington D.C.							
NABEC Staff Member	Airline	Hotel 4 nights @ \$200.00 per night	Car Rental	Auto Exp. @ .20 cents per mile x 100 miles	Meals \$75 day - x 4 days	Parking	Total
Operator	\$810	\$800	\$300.	\$20.	\$300.	\$100.	\$2,330
Project Director	810	800		20.	300.		1,930.
Sub Total	\$1,620.	\$1,600.	\$300.	\$40	\$600.	\$100.	\$4,260

Special Training Program *							
NABEC Staff Member	Airline	Hotel 2 nights @ \$115. per night	Car Rental	Auto Exp. .20 cents per Mile x 100 miles	Meals \$75 per day - x 2 days =	Parking	Total
Project Director	\$660	\$230.	\$130.	\$20.	\$150.	\$56.	\$1,246
Bs. Consultant	660	230.		20.	150.		1,060.
Sub Total	\$1,320.	\$460.	\$130.	\$40	\$300.	\$56.	\$2,306

* Please provide a discussion for the purpose of this Special training and the added value to clients served, that will be derived from this training.

Local Travel**\$336**

Local travel within the geographic area to visit clients, resources and attend marketing and other NABEC required local events.

NABEC Staff Member	Miles per mo.	X 12 =	X .20 cents
Project Director	70	840	\$168.
Business Consultant	70	840	\$168.
Total Local Travel	140	1,680	\$336.

Travel will be expensed as follows:

- Federal Share \$0
- Non Federal \$15,000
 - \$5,000 program income/client fees collected
 - \$10,000 from 3rd party cash contribution

Note: 3rd Party cash contribution from Nation Bank
(letter totaling \$26,118 for this cash contribution is provided)

d. Equipment

\$5,001

Note: Only items over \$5,000 each should be included in this section. A description of the equipment, purpose and copy of a projected cost invoice from a vendor should be provided.

The **ABC Group** proposes the one-time purchase of a XYZ-100 copier with scanning and faxing capabilities Model #2406 to be used solely for the NABEC Project. This item will be purchased at Twins Copier (see attached price quote from Twins Copier Company).

Equipment will be expensed as follows:

- Federal Share \$0
- Non Federal \$5,001
 - \$5,001 from 3rd party cash contribution

Note: 3rd Party cash contribution from Nation Bank
(letter totaling \$26,118 for this cash contribution is provided)

e. Supplies

\$11,699

The **ABC Group** proposes the following items to be purchased in support of the NABEC throughout the first program year.

Note: Supplies must be described and itemized in terms of cost per item – month. An annual amount must then be provided.

Signage (as per MBDA requirements)

\$1,599

The **ABC Group** proposes [insert narrative]

Postage, Printing and Publications

\$1,700

The **ABC Group** proposes [insert narrative]

Postage – \$50 a month x 12 months =

\$ 600

Federal Express \$50 a month x 12 months=	\$ 600
Printing of Marketing Flyers (\$500-one time purchase)	\$ 500
Office Supplies	\$1,700

The **ABC Group** proposes [insert narrative]

Copier Paper, pens, clips, staplers, etc.

\$500 at time of opening up the office and thereafter	\$ 500
\$100.00 per months x 12 =	\$ 1,200

NOTE: Supplies are defined as a single item valued at \$5,000 or less. This would include computers, printers, laptops, etc.)

Business Cards, Letter heads, Envelopes, etc. **\$2,000**

The **ABC Group** proposes [insert narrative]

Printing of Stationary & Envelopes	\$1,300
Printing of Business Cards for two staff members	\$ 700

NOTE: Please provide quotes for batch expenses. Applicant should also provide a description of the bidding process (if any) and the process for decision making (i.e. selected the best value).

One-time Computer Software & Hardware **\$5,000**

The **ABC Group** proposes the purchase of the following computer software and hardware that meet MBDA's requirements under the FFO. The following is a line item breakout:

- Computers*
 - Monitors*
 - Printers*
 - Cables*
 - Connectors*
 - Computer cards and parts*
 - Fax machines*
 - PDA devices*
 - Other supporting equipment*
 - Extended warranties*
- *(list make, model, specifications, cost/per unit, amount to be ordered, extended cost)

Equipment will be expensed as follows:

- Federal Share \$0
- Non Federal \$11,699
 - \$5,432 from program income/client fees collected
 - \$6,267 from 3rd party cash contribution

Note: 3rd Party cash contribution from Nation Bank
(letter totaling \$26,118 for this cash contribution is provided)

f. Contractual

\$8,000

The **ABC Group** proposes the following contractual items to be purchased in support of the NABEC throughout the first program year.

Sample – Contractual Services

Non Federal Funds - Contractual Services					Non Federal Source			
			Rate	Total Amt	Applicant In-Kind	3 rd Party Cash Contribution	3 rd Party In-Kind Contribution	Total
Sam Smith	Outside Consultant fees -CPA	21 hrs.	\$50.	\$1,050.	\$1,050			\$1,050
George Allen	Outside Consultant Fees - Professor	42 hrs.	\$50.	2,100.			\$2,100	\$2,100
Telephone LD/ISP		Per month	\$125.	\$1,500		\$1,500		\$1,500
Cell Phone		Per Month	\$100.	\$1,200		\$1,200		\$1,200
Web Host – Design	Design	Host per month	\$45.	\$1,610		\$1,610		\$1,610
				540.		540		540
Total				8,000	\$1,050	\$4,850	\$2,100	\$8,000

Outside Consultant Fees

\$3,150

The **ABC Group** proposes [insert narrative if applicable]

– Nature of expertise and purpose of these services. Hourly rate and total hours must be provided in a written document. A letter from these providers must indicate and validate the total hourly rate, and total cost as well as the services that will be provided. Please provide a discussion as to the relevance of this service as it relates to client services and how this will assist the NABEC meet its required goals.

The Applicant will donate/contribute \$2,500 of its CPA services to assist the NABEC in its consulting services.

- Sam Smith CPA 21 hours of Accounting services at \$50 per hour = **\$1,050**
- George Allen (letter attached) is a Professor at Oklahoma University and will be contributing 42 hours of training in the area of Business practices and techniques. i.e. (Business Plan Preparation, Certification Training, & how to bid on procurement

contracts. There will be six separate training sessions with 40 (6 sessions x 40 =240) participants attending each session. Each session will be approximately 7 hours each.

A total of 240 minority business owners (clients) will benefit from this training in the area of business plan development, certification & how to bid on procurement contracts.

42 hours at \$50.00 per hour = **\$2,100**

Telephone, LD and ISP Broadband

The **ABC Group** proposes a one time installation and service fee of [insert narrative if applicable]

Basic telephone line, Long distance telephone charges (land lines)
Monthly expense of \$125.00 per month = **\$1,500**

Cell Phone

The **ABC Group** proposes a one time establishment and service fee of [insert narrative if applicable]

Cell phone purchases, monthly charges and cell phone taxes, for use by [Project Director]
Monthly expense of \$100.00 per month = **\$1,200**

Web Host (Design/Graphics & Host) **\$2,150**

The **ABC Group** proposes a one time development and service fee of [insert narrative if applicable]

Web Design	\$1,610
Web Hosting	
Monthly fees \$45 =	<u>540</u>
	\$2,150

Contractual will be expensed as follows:

- Federal Share \$0
- Non Federal \$8,000
 - \$1,050 from applicant
 - \$6,950 from 3rd party in-kind and cash contributions

Note: 3rd Party cash contribution from Nation Bank
(letter totaling \$26,118 for this cash contribution is provided)
3rd Party in-kind contribution from George Allen, Professor, Oklahoma University
(letter of commitment of 42 hours of training services is provided)

g. Construction

\$0

NOTE: Construction fees are not allowed under this program.

The ABC Group will not use funds for construction.

h. Other

\$51,150

The ABC Group proposes the following costs in support of the NABEC. [insert narrative if applicable]

Rent –

\$23,142

Cost per square foot per office space, times monthly rate, plus annual cost is provided.

Office space includes a reception area at 144 sq. ft., three enclosed offices each 196 sq. each = 588 sq. ft., a conference room at 289 sq. ft and a storage room at 81 sq. ft.

Total Office space of 1,102 sq. rented at fair market rate of \$1.75 per sq., ft. = \$1,928.50/month x 12 months = \$23,142

Marketing Events -

\$14,004

The ABC Group proposes [insert narrative]

Outreach -

\$14,004

The ABC Group proposes [insert narrative]

Other will be expensed as follows:

- Federal Share \$0
- Non Federal \$51,150

i. Total Direct Charges

\$330,850

The ABC Group proposes [insert narrative]

Federal	\$225,000
Non Federal	<u>\$105,850</u>
	\$330,850

j. Indirect Charges

\$0.

The **ABC Group** proposes no indirect costs under this award.

Note: Applicants proposing indirect fees must provide a copy of the approval for an indirect cost rate from a cognizant federal agency.

Management Fees / or Indirect Costs were not factored into this Sample Proposal. Please refer to the FFO section IV. Application and Submission Information - G Funding Restriction - 1. Profit or Fees & 2. Indirect Costs.

The following is a **SAMPLE SF424a – Budget Information** form for the Applicant’s review and information. A SF424a is required for each funding year.

SF 424A - Budget Information – Non Construction Programs (p.1) Year One

Section A - Budget Summary						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Un-obligated Funds		New or Revised Budget		Total (g)
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	
1.NABEC	11.800			225,000	105,850	\$330,850
2.						
SAMPLE DOCUMENT						
4.						
5. Totals	\$	\$	\$	\$ 225,000	\$105,850	\$ 330,850.
Section B - Budget Categories						
6. Object Class Categories	Grant Program, Function or Activity				Total (5)	
	(1)	(2)	(3)	(4)		
a. Personnel	200,000				200,000	
b. Fringe Benefits	25,000	15,000			40,000	
c. Travel		15,000			15,000	
d. Equipment		5,001			5,001	
e. Supplies		11,699			11,699	
f. Contractual		8,000			8,000	
g. Construction					0	
h. Other		51,150			51,150	
i. Total Direct Charges (sum of 6a-6h)	225,000	105,850			330,850	
j. Indirect Charges						
K. Totals (sum of 6i and 6j)	225,000	\$ 105,850			330,850 \$	

SF 424A - Budget Information – Non Construction Programs (p.2)
SAMPLE - DOCUMENT

Section C - Non Federal Resources					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) Totals	
8.NABEC 11.800 Non-Federal Cost Share –	\$39,192	Match to page 1	\$	\$ 39,192	
9. Non-Federal Cost Share – Client Fees			38,440	38,440	
10. Non-Federal Cost Share – 3rd Party In-Kind	\$		\$ 2,100	\$ 2,000	
11. Non-Federal Cost Share – 3rd Party Cash			26,118	\$ 26,118	
12. Total (sum of 8 - 11)	\$ 39,192	\$	\$ 66,658	\$ 105,850	
Section D - Forecasted Cash Needs					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 225,000.00	\$ 56,250.00	\$ 56,250.00	\$ 56,250.00	\$ 56,250.00
14. Non-Federal	\$ 105,850.00	\$ 26,462.50	\$ 26,462.50	\$ 26,462.50	\$ 26,462.50
15. Total (Sum of lines 13 and 14)	\$ 330,850	\$ 82,712.50	\$ 82,712.50	\$ 82,712.50	\$ 82,712.50
Section E - Budget Estimates of Federal Needed for Balance of the Project					
(a) Grant Program	Future Funding Periods (Years)				
	(b) First		(d) Third	(e) Fourth	
16. MBEC 11.800	\$ 225,000		\$	\$	
17.	(Actual 2nd yr funding)				
18.					
19.					
20. Total (Sum of lines 16-19)	\$ 225,000		\$	\$ 71	
Section F - Other Budget Information					

Standard Forms: The application must contain the following Standard Forms (SF): (i) **SF-424** - Application for Federal Assistance (one for all three periods); (ii) **SF-424A**, Budget Information-Non-Construction Programs (one for each period); (iii) **SF-424B**, Assurances-Non-Construction Programs (one for all three periods); and (iv) **SF-LLL**, Disclosure of Lobbying Activities (if applicable).

Department of Commerce Forms: The application must contain the following Department of Commerce (CD) form: (i) **CD-511**, Certification Regarding Lobbying.

Application Submission Checklist: The following application submission checklist is guide for applicants and should not be submitted as part of a NABEC application:

- ☐ **Cover Page**
- ☐ **Table of Contents**
- ☐ **Program Narrative**
 - ☐ **Applicant Capability**
 - ☐ **Resources**
 - ☐ **Techniques and Methodologies**
 - ☐ **Proposed Budget (1 for each program year)**
 - ☐ **Proposed Budget Narrative (1 for each program year)**
 - ☐ **Performance Goal Chart**
 - ☐ **Client Fees Proposed Program Income Chart**
 - ☐ **Staff Allocation Summary Chart**
 - ☐ **Plan of Action (for first 30 day start-up)**
 - ☐ **Business and Staff Organization Chart**
 - ☐ **Computer Network Map & Security agreement**
 - ☐ **Original Letters of Commitment for Cash and In-Kind Contributions**
 - ☐ **Staff Resumes, Position descriptions with qualification standards and salary ranges for all staff members.**
 - ☐ **Resume and College Transcripts for Project Director**
 - ☐ **Copy of Articles of Incorporation, by-laws and IRS 501(c) (3) tax-exempt letter or other evidence of non-profit status (as applicable).**
 - ☐ **General description of its exiting client base as part of its Program Resources.**
- ☐ **Standard Forms**
 - ☐ **SF – 424 (One only to include both program years)**
 - ☐ **SF – 424 A (2 sets, one for each program year)**
 - ☐ **SF – 424 B**
 - ☐ **SF – LLL**
- ☐ **Commerce Department Forms**
 - ☐ **CD 511**
- ☐ **All pages numbered**
- ☐ **All forms signed in blue ink (if paper submission)**
- ☐ **Letters of Commitment**
 - ☐ **Proposed Project Director**
 - ☐ **Proposed Strategic Partners**
- ☐ **Letters of Support**