

U.S. SMALL BUSINESS ADMINISTRATION

**OFFICE OF GOVERNMENT CONTRACTING AND
BUSINESS DEVELOPMENT**

FY 2008

**PROGRAM ANNOUNCEMENT FOR
SBA EMERGING 200 INITIATIVE**

NO. GCBD –2008– 01

**Initial Budget Period
(June 1, 2008 – December 30, 2008)**

The purpose of this program announcement is to provide applicants an opportunity to apply for a cooperative agreement under the SBA Emerging 200 Initiative Program. All applicants must meet sufficiency and technical criteria in order to qualify for funding.

**Proposals are to be posted to www.grants.gov by
11:59:59 PM EST on April 10, 2008**

FISCAL YEAR 2008/2009

SECTION I. FUNDING OPPORTUNITY DESCRIPTION

A. INTRODUCTION

Federal Agency Name: U.S. Small Business Administration, Office of Government Contracting and Business Development

Funding Opportunity Title: SBA Emerging 200 Initiative

Announcement Type: Initial

Funding Opportunity Number: Program Announcement GCBD-2008-01

CDFA Number: 59.007

Closing Date for Submissions: April 10, 2008
11:59:59 PM EST - Proposals submitted **only at** www.Grants.gov

Authority: Section 7(j) of the Small Business Act, 15 U.S.C. 638(j)(1)

Funding Instrument: Cooperative Agreement

Funding Period: Funding is for FY 2008/2009

Award Amount/Funding Range/Match: Total amount of FY2008 Federal funding provided for this project is \$400,000.00. Grant award(s) will be made up to, but not exceeding, \$400,000.00 as required to deliver services to all host cities participating in this initiative. There is no matching fund requirement however the availability of private sector resources or non-federal funds should be noted in the technical proposal.

Project Duration: Award(s) will be made for a base project period not to exceed twelve (12) months. SBA may, at its discretion, exercise four additional option years, subject to availability of funds, and subject to a recipient organization's compliance with the terms of the Small Business Act, applicable regulations, this program announcement, and the cooperative agreement.

Project Starting Date: Approximately June 1, 2008.

Proposal Evaluation: Proposals will be scored against the evaluation criteria in Section V. SBA may ask applicants for clarification on the technical and cost aspects of proposals. This must not be construed as a commitment to fund the proposed effort.

Agency Points of Contact: Questions concerning general information contained in this announcement should be directed to the SBA Grants Office Technical Representative (GOTR), Mr. Stan Fuji at e200@sba.gov. **Only eligible entities should contact the SBA regarding this program announcement.**

Questions regarding budget matters related to this program announcement should be directed to electronic.grants@sba.gov. **Only eligible entities should contact the SBA.**

1. PROGRAM OVERVIEW

The U.S. Small Business Administration (SBA), officially established in 1953, maintains and strengthens the nation's economy by aiding, counseling, assisting, and protecting the interest of small business, and by helping families and businesses to recover from national disasters. SBA's mission includes assistance to help small business start, grow, and compete in markets by providing quality training, counseling and access to resources.

The goal of the SBA Emerging 200 initiative is to identify approximately 200 inner-city businesses across the country that show a high potential for growth—and to provide them the network, resources and motivation required to build a sustainable business of size and scale within a designated inner-city geographic location.

SBA is increasing outreach to areas historically challenged by high levels of unemployment and poverty. Bolstering entrepreneurial success in these areas will generate new jobs, attract investment, and provide a more sustainable economic base in distressed areas. Current efforts also include a program to improve access to credit to small businesses located in rural areas.

According to SBA's Office of Advocacy, small businesses are the greatest source of net new employment in inner cities and account for 80 percent of total employment. However, the job growth rate in inner cities still lags behind the rest of metropolitan areas (*"State of Inner City Economies: Small Businesses in the Inner City," Oct. 2005*). SBA hopes to accelerate inner city small business growth in inner cities through the Emerging 200.

The following cities have been designated to participate in this initiative: Boston, MA; Baltimore, MD; Philadelphia, PA; Atlanta, GA; New Orleans, LA; Memphis, TN; Chicago, IL; Des Moines, IA; Milwaukee, WI; Albuquerque, NM; and Oakland, CA.

The SBA district offices, along with its city-based collaborators, will provide in-kind training facilities, engage community outreach to identify and market the training to potential participants, handle registration, onsite logistics, and developing an ongoing relationship with the chosen Emerging 200 businesses. The SBA will provide a uniform, national training curriculum that will form the baseline for the initiative.

Businesses must be located in one of the chosen inner cities. Companies that will most benefit from the program will be headquartered in the inner-city, have achieved \$400,000 in revenue, and are at least three years old. The SBA district director and partners have the option of narrowing the geographic scope to certain quadrants within the targeted geographic area.

The SBA Emerging 200 initiative will enable the participating small businesses to engage in an intensive curriculum focused on developing a winning, expansion strategy for their business, including options for capital access and contracting. Participants also will have the opportunity to work with experienced mentors, attend workshops and develop connections with their peers, city leaders, and financial community.

2. PURPOSE

As part of the Agency's broader Underserved Markets Initiative, the SBA Emerging 200 concept was designed to support inner-city companies that have achieved local success and are ready for the next level of growth. The initiative will identify inner-city businesses in 11 cities across the country that show a high potential for growth and to provide these businesses with the network, resources and motivation required to build a sustainable business of size and scale within a designated Inner-City geographic location. America's inner-cities are home to more than 850,000 small and mid-size businesses, many of whom are drivers of inner-city economies and job growth. These businesses, many of whom are relatively small by size and/or revenue, create jobs, income and wealth for inner-city residents and often provide much needed products and services for diverse inner-city communities.

By promoting concepts of size and scale in small and mid-size businesses in America's inner-cities, there is great potential to build these businesses into powerful, strong economic dynamos that create jobs, income and wealth for local communities. Moreover, this kind of economic initiative leads to sustained economic development and has the highest impact for distressed economies as it taps into local competitive advantages to create local opportunity and prosperity.

SBA has been authorized, under Section 7(j) of the Small Business Act, to enter into grants, cooperative agreements or contracts, with public or private organizations that can deliver management or technical assistance to individuals and enterprises eligible for assistance under the Act. This assistance is delivered through the 7(j) Management and Technical Assistance Program to 8(a) certified firms, small disadvantaged businesses, and businesses operating in areas of high unemployment or low income or whose owners have low incomes. The purpose of the 7(j) Management and Technical Assistance Program [Section

7(j)(1) Small Business Act, 15 U.S.C. 636(j)(1)] is to help economically and socially disadvantaged businesspersons achieve competitive viability in the marketplace.

SBA has designated 11 of its district offices, Boston, MA; Baltimore, MD; Philadelphia, PA; Atlanta, GA; New Orleans, LA; Chicago, IL; Milwaukee, WI; Des Moines, IA; Memphis, TN; Albuquerque, NM and Oakland, CA that serve inner-city areas as local hosts for this initiative. Each designated district office will coordinate local engagement of area partners and participating inner-city businesses. Local designations were made after a competitive review process that included standard criteria. The critical component of the initiative is the identification and recruitment of eligible small businesses that meet geographic, revenue, employment and capacity criteria through strategic marketing, local and national exposure, research and product placement which requires grantor support for technical writing, market specific materials, and quality and consistency of services provides to this target community in a limited timeframe.

No fundraising or lobbying activities, or materials used for fundraising or lobbying, may be paid for using federal funds.

B. STATEMENT OF WORK

The grantee will work closely with the federal, state and local officials to develop and deliver a national training program to assist inner-city businesses that is consistent with applicable SBA guidelines and specific to the unique communities incorporated into this initiative.

Successful implementation of this training is partially driven by the grantee's ability to deliver on the stated tasks shortly after the award announcement. On-site training for this initiative is targeted for June 2008 in multiple cities across the United States and lasts until approximately December 2008.

The grantee's organization and project team should have a developmental capacity to establish and maintain a widely dispersed national targeted inner-city geographic and revenue based training. The organization should have a core focus on helping a diverse group of inner-city entrepreneurs from low-to moderate-income communities grow their existing small businesses so as to increase business revenues and the number of jobs.

Organizations and project management teams should also reflect experience in working in partnership with other organizations to deliver training to the business community. Local hosts in each of the 11 designated cities will provide training facilities and provide additional assistance such as presenters during the initiative implementation.

Intended small business participants will include inner-city (identified cities with 40,000+ jobs) firms with which had also experienced low or negative job growth from 1998-2005 (Compound Annual Growth Rate of 1% or below), approximately \$400,000+ in annual sales/revenue, that have been in business for 3 years or more, be reflective of various industries, and show growth potential that will be further assisted by their participation in this initiative.

Organization and project management should reflect a track record of evaluation and transparency, with the annual production and distribution of an organizational scorecard based on program and economic and social indicators. This track record should also evidence measurable outcomes, specifically increased revenue, increased access to new financing and markets, and more employees.

The organization should evidence an ability to deliver uniform curriculum successfully in more than one city. The initiative will take place in 11 cities spread across the United States and include approximately 20 participating business representatives per city. The curriculum must be national in scope with tailoring to local needs. SBA may consider multiple smaller awards to training providers if it is determined that no one provider can adequately serve all of the participating cities and/or provide expertise in all of the curriculum areas. If multiple awards are made to deliver this training, SBA's funding commitment will not exceed the amount stated below.

The grantee should show ability to demonstrate long-term program impact of the training, with quantifiable evidence of continued growth of past program participants. Additionally, the grantee will have a track record of providing a business development program that involves high quality, hands-on, and peer-to-peer training which is consistent with initiative's objectives.

The grantee should provide quality control and documented processes for hiring, training and supporting instructors with experience in business and university-level business instruction.

The SBA Emerging 200 training emphasis for business participants includes:

- Growth strategies (3-5 yr plan; new markets)
- Access to new forms of capital (SBA and beyond)
- Government contracting (state and local; in addition to federal)
- Mentorship

Implementation of the training for this initiative will require that the grantee apply a teaching approach and curriculum that:

- Has been vetted by academics and "road – tested" by entrepreneurs
- Utilizes the "case study model" with the cases drawn from the participating entrepreneurs' businesses
- Incorporates business mentorship
- Provides between 50 to 80 hours of training per host city as delivered through periodic sessions
- May take place in non-traditional hours [evenings, weekends]
- Teaching materials and class prospectus
- Individual business assessment and action plan
- Will include consultation with local SBA District Office and initiative partners

C. OVERSIGHT

The Emerging 200 initiative is overseen by SBA Headquarters including the Office of Government Contracting and Business Development. Local SBA officials will represent the initiative in each of the 11 designated cities.

SECTION II. AWARD INFORMATION

A. GENERAL AWARD INFORMATION

I. PROJECT START DATE

The project start date is approximately June 1, 2008 or 15 days after receipt of the Notice of Award

II. PROJECT DURATION

Awards will be made for a period not to exceed 12 months unless SBA exercises option-year awards based on available funding.

SBA reserves the right to cancel this Program Announcement, in whole or in part, at the Agency's discretion.

III. ANTICIPATED GRANT/AWARD FUNDING

SBA anticipates funding the cooperative agreement activities in the amount of \$400,000 during Fiscal Year 2008. Cooperative Agreements may be made to one or more recipients as needed to deliver the services. Applicants should include their ability to deliver services to all 11 cities that will participate in this initiative or to any lesser amount of cities based on organizational ability and funding requirements.

SBA has been authorized, under Section 7(j) of the Small Business Act, 15 U.S.C. 638(j)(1) to enter into grants, cooperative agreements or contracts, with public or private organizations that can deliver management or technical assistance to individuals and enterprises eligible for assistance under the Act. This assistance is delivered through the 7(j) Management and Technical Assistance Program to 8(a) certified firms, small disadvantaged businesses, businesses operating in urban or rural areas of high unemployment or low income or whose owners have low incomes.

SECTION III. ELIGIBLE APPLICANTS

A. ELIGIBLE APPLICANTS FOR THIS COOPERATIVE AGREEMENT (MANDATORY REQUIREMENTS)

All public or private sources eligible to apply for Federal award funding.

B. APPLICANTS INELIGIBLE FOR THIS COOPERATIVE AGREEMENT

The following applicants will automatically be considered ineligible and their applications will not be evaluated:

- Any organization which currently has an unresolved audit by any federal agency;
- Any organization suspended or debarred from receiving contracts or grants from any federal agency or otherwise excluded from federal procurement programs;
- Any organization which has any unresolved and material audit issues reported under the requirements of the Single Audit Act of 1986 (A-133) within 3 years of the proposed funding period;
- Any organization which had at least one substantially non-compliant condition with SBA program guidelines occurring while administering or implementing any SBA program; or
- Any applicant that proposes to serve as a pass-through and permit another organization to hire and employ project staff for the purpose of managing the day-to-day operations of the project.

SECTION IV: APPLICATION AND SUBMISSION INFORMATION

A. REQUIRED APPLICATION FORMAT/INFORMATION

The application must include both the technical and budget proposal for the base period of one year only. The proposal (narrative and forms) must be submitted electronically via www.grants.gov. Other forms of submission will not be accepted. The closing date for submission of applications is April 10, 2008, 11:59:59 PM Eastern Standard Time. Awards will be made under this program announcement until the application cut-off date. The project starting date is approximately June 1, 2008 or 15 days after award. All applicants must meet sufficiency and technical criteria in order to qualify for funding. Applications must be submitted via www.grants.gov. **NO OTHER METHOD OF SUBMISSION IS PERMITTED.**

Applications must include the following information:

Cover Sheet:

- a. Program Announcement # GCBD-2008-01
- b. Applicant's name
- c. Applicant's address
- d. Applicant's web site address
- e. Applicant's contact name for this application
- f. Contact's telephone number
- g. Contact's fax number
- h. Contact's e-mail address
- i. Grant dollar amount requested

Technical Proposal Narrative. (Not to Exceed 15 pages)

Address each item mentioned in the Statement of Work listed above.

Include the following:

1. Describe in detail the applicant's past experience in relation to inner-city entrepreneurs and the steps that were taken to assist area small businesses.
2. Describe in detail the technical assistance delivery methods and implementation.
3. Provide Key Personnel Page. Identify key management and staff, including resumes and position descriptions. Resumes must include experience relevant to this project and may not be more than 2 pages long.
4. Contractors and consultants should be identified separately. Include copies of contractual agreements.
5. Include an organizational chart for all project staff and the amount of time devoted to the project.
6. Identify a project director.
7. The applicant must also provide a plan to measure program effectiveness within the grant period, and, if applicable, from year to year.
8. The applicant must provide a timeline with milestones for the 12-month life of the grant period.

Additional information to be included for evaluation:

II. BUDGET INFORMATION (PART II)

- A. "Application for Federal Assistance" (SF-424) (Please provide a complete street address)
- B. "Budget Information-Non-Construction Programs" (SF-424A,) Provide only one budget showing all costs by major categories (Key Personnel, Fringe Rate, etc.), not exceeding \$400,000 of federal funding.
- C. "Budget Detail Worksheet" Provide justification of cost for each budget category on worksheets A-10 through A-12, which are enclosed for your convenience, and show a complete breakdown of all cost elements listed on the SF-424A. You may use these worksheets for the detailed budget information or a reasonable facsimile, BUT each budget line item pertinent to your submission MUST ALSO be completed on the application. (See Worksheet Enclosed)

III. CERTIFICATION FORMS AND ASSURANCES (PART III)

- A. Certification Regarding Debarment, Suspension, and Other Responsibility Matters, (SBA Form 1623) - (See Enclosed)
- B. Certification Regarding Lobbying (SBA Form 1711) - (See Enclosed)
- C. Disclosure of Lobbying Activities (SF-LLL) - (Located in forms package at Grants.gov)

- D. Assurances for Non-Construction Programs (SF 424B) - (Located in forms package at Grants.gov)
- E. CPA Certification that financial system meets 2 CFR Part 215.21. This may be a letter from your accounting firm or the relevant passage from your audit report.
- F. Current year's financial audit report – this may be a link to your web site.

B. REQUIRED PROPOSAL SUBMISSION DATES

The closing date for submission of applications is April 10, 2008 11:59:59 PM Eastern Daylight Time. Awards will be made under this program announcement until the application cut-off date. All applicants must meet sufficiency and technical criteria in order to qualify for funding.

SECTION V: APPLICATION REVIEW INFORMATION

A. EVALUATION CRITERIA FOR TECHNICAL PROPOSAL

Please refer to the Statement of Work, Section B above.

Evaluation criteria for the 7(j) Management and Technical Assistance applicant are listed below:

1. Experience: (25 Points)

Applicants must provide evidence (statistics, demographics and other supporting documentation, case studies, etc.) of the distressed targeted region or community and of their experience in serving distressed communities. In particular, applicants must provide:

- a. Knowledge and past experience in relation to inner-city business development and entrepreneurial training. Provide specific examples.
- b. Track record of measurable outcomes, specifically increased revenue, increased access to new financing and markets, and more employees.
- c. Ability to deliver uniform curriculum successfully in more than one city. The initiative will take place in inner-cities areas across the country; the curriculum must be national in scope with tailoring to local needs.
- d. Track record of providing a business development program that involves high quality, hands-on, and peer-to-peer training which is consistent initiative objective.

2. Technical Assistance Delivery Design: (30 Points)

The Program Narrative should specify and detail the technical assistance delivery methods, products and their implementation. Applicants will be evaluated on their understanding of the project and proposed approach for performing the award.

- a. Innovation and creativity in providing assistance to small business is strongly encouraged. Does the project make innovative and imaginative use of resources while filling a vital gap in support for small businesses?

- b. Can the applicant deliver measurable, reportable effectiveness in its delivery assistance? Are the project design and methodology accurate? Replicable? Are templates or models included?

3. Project Management: (25 Points)

- a. Applicants must state how and by whom staff will be chosen to implement and administer this project. The applicant must identify the key management, staff, and contractors/consultants. Do resumes and position descriptions for the project director and key staff demonstrate the labor and experience necessary for the attainment of the grant's goals? Are staff, volunteers and contractors/consultants sufficiently motivated and equipped to further the goals of the project? Do they have any relevant prior experiences?
- b. An organizational chart for all proposed full time and part-time project staff and the amount of time each will devote to this project. This includes:
- A description of staff overseeing program direction, ongoing program data collection and electronic reporting to SBA.
 - A description of staff responsible for financial record keeping on the receipt and expenditure of program funds.

4. Operational Controls: (20 Points)

The applicant must provide an evaluation design and method for measuring the outcomes of the project's objectives and complying with all required financial and performance reporting. This is crucial to final evaluation of the project. Does the evaluation methodology provide clear, accurate and easily measurable reporting design from which the program's effectiveness can be easily evaluated? Are templates included? Does the evaluation allow for ongoing modifications/improvements to the program design?

B. COST REVIEW AND SELECTION PROCESS

Applications will first be screened to determine if the applicant meets certain mandatory eligibility requirements. SBA will not consider eligible applicants who do not submit complete applications. Submissions will only be accepted via www.grants.gov. Submission via other electronic mediums will not be accepted. Hard copies will also not be accepted.

SBA officials will form a Technical Evaluation Committee to review eligible proposals based on evaluation criteria stated in this Program Announcement. These will be scored and ranked. Proposals not meeting minimum standards during the technical review will not be considered for funding. Recommendations will be submitted to SBA's Division of Procurement and Grants Management (DPGM.) DPGM will conduct a Budget Review of the cost proposal and issue the final Notice of Award.

SECTION VI: AWARD ADMINISTRATION INFORMATION

A. AWARD NOTICE

All recipients will receive written notification of funding for the award.

B. REPORTING

REPORTING REQUIREMENTS

All recipients are required to submit the reports identified below. SBA may withhold payment if reports are not received or deemed inadequate. Failure to report in a timely manner will be weighed against future requests for grant funding. The quarterly reports and final report provided by the recipients may be made public. In addition, SBA reserves the right to require recipients to post these reports on their web sites.

1. Financial Reports

Quarterly Reports

Recipients will be required to submit quarterly financial reports in hard copy within 30 days of the completion of each quarter and within 90 days of the completion of the project. Signed originals and one copy should be mailed to the Emerging 200 Initiative GOTR (Grants Officer's Technical Representative) within the required time allotment period. The financial reports should include the following:

- Standard Form 269, "Financial Status Report"
- Direct Cost Budget (from Budget Detail Worksheet)
- Key Personnel List (from Budget Detail Worksheet)
- Indirect Cost Rate Worksheet (from Budget Detail Worksheet)
- Budget Narrative: Information relating to actual financial expenditures of budget cost categories versus the estimated budget. Also include an explanation of cost overruns, if any, by budget cost category. Financial data furnished in this report is from a manager's standpoint.

The Direct Cost Budget, and Indirect Cost Worksheet must be aligned with the original budget, and the budget and performance report narrative. Explanations in the budget narrative must encompass expenditures and reasons for expenditures. Invoices supported by the budget and performance narrative that do not match the actual performance period will NOT be paid unless and until corrected.

2. Performance Reports

Quarterly Reports:

Recipients must also submit quarterly Standard Form PPR, "Performance Progress Report" within 30 days of the completion of each quarter and the within 90 days of the completion of the project. These may be submitted via email to the Emerging 200 Initiative GOTR within the required time allotment period. The performance progress reports should include the following:

- Project accomplishments
- Problems encountered and steps taken or proposed to correct those problems
- A comparison between projected milestones and actual accomplishments. If there are discrepancies, identification of the reasons for slippage, and a plan of action to address them.

- Evaluation measurement tools used to address progress. This may be in the form of a template to easily track progress. If cumulative in nature, a brief analysis during each reporting period is required.

Final Standard Form PPR "Performance Progress Report:"

A consolidated Final Performance Progress Report shall be submitted to the SBA Technical Representative within 15 days after the completion of the 12-month project period. The final performance progress report must include a well-organized description of the work performed, accomplishments, and any difficulties encountered. In addition, it will summarize the entire project period, detailing the Project's mission, scope, results, impact and recommendations for duplication and portability.

SECTION VII: AGENCY CONTACTS

A. PROGRAM POINT OF CONTACT

Questions concerning general information contained in this announcement should be directed to the SBA Grants Office Technical Representative (GOTR), Mr. Stan Fuji at e200@sba.gov. ***Only eligible entities should contact the SBA regarding this program announcement.***

B. FINANCIAL/GRANTS MANAGEMENT CONTACT

Questions regarding budget matters related to this program announcement should be directed to electronic.grants@sba.gov. ***Only eligible entities should contact the SBA.***

C. GRANTS.GOV TECHNICAL SUPPORT

For technical support in filing your electronic application, contact Grants.gov by telephone at 1-800-518-4726. ***Do not contact the SBA for technical support with electronic filing.***

SECTION VIII: OTHER INFORMATION

A. ADVANCE UNDERSTANDINGS

The purpose of the program is to provide Business Development Assistance for Socially and Economically Disadvantaged Businesses. SBA performs this mission by entering into grants, cooperative agreements and contracts with qualified service providers who have the capability to provide business development assistance to eligible businesses and individuals under Sections 7(i), 7(j) and 8(a) of the Small Business Act.

Where these understandings conflict with Section 21 of the Small Business Act, Part 130 of the SBA's regulations (13 CFR), relevant OMB circulars or SBA's policy notices, all of the above will control and take precedence over these understandings.

B. SHARED INFORMATION

The SBA will have an unlimited license and all rights to use data (excluding private client data), including those prepared or stored electronically, which are generated either partially or fully under this Grant, including materials that are copyrighted.

C. DISPUTE RESOLUTION

Dispute resolution occurs when there is a programmatic or financial disagreement between the recipient organization and the SBA, and the recipient organization requests that the dispute be handled by SBA in a formal manner.

Any dispute arising after award of the Grant shall be resolved in the manner prescribed and within the time frames stated in Section 7 (j) Management and Technical Assistance and the Notice of Award. Every effort shall be made to resolve disputes.

D. BUDGET INFORMATION

1. Instructions for completing the Application for Federal Assistance, Standard Form 424. Complete the SF-424 for the base period of one year only.

- | | |
|-------------|---|
| Item 1 | Self-explanatory |
| Items 2-3 | Refer to instructions on reverse of form |
| Item 4 | Leave Blank |
| Items 5-7 | Refer to instructions on reverse of form |
| Item 8 | Enter: "new" |
| Item 9 | Enter: "U.S. Small Business Administration" |
| Item 10 | Enter: "59.007" 7(j) Management and Technical Assistance |
| Items 11-13 | Refer to instructions on reverse of form |
| Item 14 | Specify the applicant's Congressional district and name of congress person. Also, specify other congressional districts in applicant's planned target area. |
| Item 15 | Refer to instructions on reverse of form |
| Item 16 | Enter: Check "b." This program is not covered by E.O. 12372. |
| Items 17-18 | Refer to instructions on reverse of form |

2. INSTRUCTIONS FOR STANDARD FORM 424A (BUDGET INFORMATION)

The budget is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. The budget is to be based upon the cost of performing the project. All proposed costs reflected in the budget must be necessary to the project, reasonable and otherwise allowable under applicable cost principles and agency policies. All costs must be justified and itemized by unit cost on the budget worksheets at the end of this

document. All forms contained in the financial application package must be completed accurately and in full. Complete the SF-424A for the base period of one year only.

a. **Section A – Budget Summary**

i. Column A: Enter “7 (j) Management and Technical Assistance”

ii. Column B: Enter the Catalog of Federal Domestic Assistance Number 59.007

iii. **Section B – Budget Categories**

Complete lines 6a – 6k, entering amounts by budget category, using only Column (1) to break out the Federal funding. There is no non-Federal match requirement, therefore, do not include private sector resources or non-federal funds in Section B; these should, however, be mentioned in your technical proposal.

All amounts entered in this section are to be expressed in terms of whole dollars. Provide justification of cost for each budget category on worksheets A-10 through A-12, which are enclosed for your convenience, and show a complete breakdown of all cost elements summarized in Section B of the SF-424A. You may use these worksheets for the detailed budget information listed below or a reasonable facsimile, BUT each budget line item pertinent to your submission MUST ALSO be completed on the application.

b. **Section C – Non-Federal Resources**

Leave Blank. There is no non-Federal match requirement, therefore, do not include private sector resources or non-federal funds in Section C; these should, however, be mentioned in your technical proposal.

c. **Section D – Forecasted Cash Needs**

Refer to instructions on form. Complete line 13 only.

d. **Section E – Budget Estimates**

Leave Blank.

e. **Section F – Section F - Other Budget Information**

i. **Direct Charges**

Refer to instructions.

ii. **Indirect Charges**

Refer to instructions.

f. **Personnel**

i. List the name, title, salary for each employee and the estimated amount of time each will be assigned to this project. The applicant must plan to hire at least one full-time staffer serving as the project director. This position may not be shared between two or more employees.

- ii. Note that fees, expenses, and estimated amount of time for outside consultants should be included in the contractual line item.
 - iii. The organization will not spend more than 49 percent of the total project funds on contractors and consultants in conducting the project.
 - iv. Résumés and position descriptions of all personnel assigned to this effort must be included in the application.
- g. **Fringe Benefits**
Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. If your organization does not have a federally negotiated fringe benefit package, list each component included as a fringe benefit.
- h. **Indirect Charges**
Enclose budget worksheets or reasonable facsimile if sufficient space is not provided. Enter the indirect cost rate, date, and agency that issued the rate. If the applicant does not have an approved rate, see instructions (section F, below) to receive a provisional rate with the SBA only.
- i. **Justification of Costs**
All proposed costs require justification and narrative explanation
- j. **Miscellaneous or Contingency Costs**
No miscellaneous or contingency costs may be included in the budget. Contributions to a contingency reserve or any similar provision made for events, the occurrence of which cannot be foretold, are unallowable.
- k. **Proposal Costs**
This program announcement does not commit the U.S. Small Business Administration or any federal agency to pay any costs incurred in the preparation and submission of a proposal.

F. HOW TO PREPARE THE INDIRECT RATE PROPOSAL

Facilities and administration costs are also called indirect costs. Indirect costs are incurred for common or joint objectives and cannot be readily identified with a particular grant, contract or other activity of the organization. Reimbursement of indirect costs are generally be made by establishing an indirect cost rate, which is:

- A device for determining fairly and conveniently, within the boundaries of sound administrative cost principles, what proportion of indirect cost each one of the entity programs or funding sources should bear.
- The ratio between the total indirect expenses and some direct cost base.

An indirect cost rate is established on the basis of an indirect cost proposal and supporting documentation submitted by an organization to the federal agency with the largest dollar value of awards with the organization, according to OMB Circular A-122. This is the called

the “cognizant agency,” and it is responsible for negotiating and approving an indirect cost rate for nonprofit entities on behalf of all federal agencies.

If the Small Business Administration is the cognizant agency, your organization must include a review for indirect rate determination in its annual audit. In doing this, a rate will be established by an auditor for your organization and can therefore be used by other federal agencies.

However, until such time the audit and indirect rate determination are complete, the SBA will approve a provisional rate for **SBA grant programs only**. To assist in this matter you are required to submit the following information as outlined below:

1. ORGANIZATIONAL COST

- a. List of all expenditures for the recipient (fiscal or calendar year).
- b. Indicate whether the cost item is direct or indirect cost.
- c. Indirect cost must be labeled as overhead or general and administrative.
- d. Cost must be grouped according to the programs and/or projects for your organization.

2. ADDITIONAL INFORMATION

- a. Include general ledger account number and account description.
- b. Include employee name, total salary and leave (sick, holiday, vacation), and indicate full-time or part-time (reminder: indicate direct and/or indirect).
- c. Include a list of fringe benefits (direct and/or indirect).

You may provide any other information you deem necessary to establish a rate for the allocation of indirect cost. If you have any questions, contact the SBA Division of Procurement & Grants Management at Electronic.Grants@sba.gov. ***Only eligible entities should contact the SBA.***

For purposes of filling out the SF 424A, document your indirect costs on Worksheet A-12 (in Worksheets at the end of this section).

G. WORKSHEETS

On the following pages are worksheets required to be submitted with your proposal which may not be found at Grants.gov or created/supplied by the applicant. The forms/worksheets are: SBA Form A9-A12 (Budget Detail Worksheet); SBA Form 1623 (Certification Regarding Debarment, Suspension and Other Responsibility Matters, Primary Covered Transactions); and SBA Form 1711 (Certification Regarding Lobbying).

A-9
BUDGET DETAIL WORKSHEET
FOR TWELVE MONTH BUDGET PERIOD
(Non-Construction Programs)

SUPPLEMENTARY INSTRUCTIONS

1. Personnel

Enter in Column 1 the annual (12 months) salary rate for each key position referred to in the narrative, which will be filled for all or any part of the year by an incumbent working on the project. This rate may not be more than that paid by the grantee to other employees in comparable positions or, if the grantee has no comparable positions, the rate may not be more than that paid for such services elsewhere in the community.

Enter in column the number of months the position will be filled by an incumbent working on the project.

Enter in Column 3 the percent of time or effort the incumbent will devote to the project during the number of months shown in Column 2.

Enter in Column 4 the total amount required, as computed from the information shown in Columns 1 through 3. Use the following formats:

$$\text{Annual Salary} \times (\text{Col. 1}) \frac{\text{No. of Months (Col. 2)}}{12} \times \text{Percent of Effort (Col. 3)} = \text{Total Amount Required (Col. 4)}$$

EXAMPLES:

PERSONNEL				
NAME	ANNUAL SALARY RATE	NO. MOS. BUDG.	% TIME	TOTAL AMOUNT REQUIRED
	(1)	(2)	(3)	(4)
Full-Time Employee of Institution working 60% time on project.				
John Doe	\$24,000	12	60%	\$14,400
<u>Calculation</u>	\$24,000 x	$\frac{12}{12}$ x	60%	= \$14,400
Summer Employee (3 months) to be paid \$1,000 a month. will work on project 25% of time.				
Richard Doe	\$12,000	3	25%	\$ 750
<u>Calculation</u>	\$12,000	3	25%	= \$ 750

2. Fringe Benefits

Enter in the parenthesis the fringe benefit rate applicable to employees of the institutions. In Column 4, enter the amount determined by applying the rate to the total of the salaries in Column 4 to which the rate applies.

3. Option for Salary Detail Submission

Institutions may require that the salary rates and amounts requested for individuals not be made available to SBA reviewing consultants. To do so, an additional copy of this page must also be submitted, complete in all respects, except that Columns 1 and 4 may be left blank.

A-10
BUDGET DETAIL WORKSHEET
FOR TWELVE MONTH BUDGET PERIOD
(Non-Construction Programs)

PERSONNEL LIST

NAME AND POSITION TITLE	ANNUAL SALARY RATE	NO. MOS. BUDG.	% TIME	CUMULATIVE (Fed. & non-Fed) AMOUNT REQUIRED
	(1)	(2)	(3)	(4)
<p><u>Key Personnel</u> - an individual in a management position (e.g. a director or supervisor) or any individual who's job is vital to the performance of the project (e.g., researcher or trainer)</p>				
<p><u>Other Personnel</u> - names and titles of all employees that will be paid from the grant funds (e.g. clerical support, receptionist).</p>				
TOTAL PERSONNEL				\$
FRINGE BENEFITS (Rate - _____)				\$
TOTAL PERSONNEL & FRINGE				\$

Signature: _____ **Title:** _____ **Date:** _____

**A-11
BUDGET DETAIL WORKSHEET
FOR TWELVE MONTH BUDGET PERIOD
(Non-Construction Programs)**

<u>DIRECT COST</u>		CUMULATIVE (Fed. & non-Fed) AMOUNT REQUIRED
(If additional space is needed for any category, attach sheet.)		
<i>If multiple items purchased under a category, provide separate costs for each item.</i>		
Personal Services - List all Key Personnel on page A-10. Provide name of employees, if available, and provide all position titles. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities may not be more than that paid by the grantee to other employees in comparable positions or, if the grantee has no comparable positions, the rate may not be more than that paid for such services elsewhere in the community.		\$
Fringe Benefits - Fringe benefits are to be listed separately and should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in Personal Services category and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation, and Unemployment Compensation.		\$
Consultants - Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed. For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.		\$
Travel - Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interview, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X lodging, \$X subsistence). Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations. NOTE: Per diem is <u>not</u> allowed for local travel.		\$
Equipment - List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Expendable items should be included either in the "Supplies" category or the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Provide procurement method used.		\$
Supplies - List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items costing less than \$5,000, such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Generally, supplies include any materials that are expendable or consumed during the course of the project.		\$
Contractual - Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed. Provide company or person name and a description of the product or service to be procured by the contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts over \$2,500.)		\$
Other - List items (e.g., rent, reproduction, telephone, janitorial or security services, etc.) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, or provide a monthly rental cost and how many months to rent.		\$
TOTAL DIRECT COST		\$

NOTE: ALL CATEGORIES MUST BE SUPPORTED BY NARRATIVE JUSTIFICATION.

A-12
BUDGET DETAIL WORKSHEET
FOR TWELVE MONTH BUDGET PERIOD
(Non-Construction Programs)

INDIRECT COST

(Costs identified as indirect can not be duplicated in Direct Cost.)

(Rate _____%)

If the applicant has an approved rate, a copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

**CUMULATIVE
(Fed. & non-Fed)
AMOUNT
REQUIRED**

Overhead <i>(Please provide details.)</i>	
General and Administrative <i>(Please provide details.)</i>	\$
TOTAL INDIRECT COST	\$
<u>OTHER</u>	
Profit/Fee	\$
TOTAL ALLOWABLE BUDGET	\$

Does organization have a definitized approved rate package across the board for all grants/cooperative agreements/contracts?

Check one: Yes No

If the answer is "yes", provide name of approving audit agency and date and attach a copy of the rate approval, (a fully executed, negotiated agreement).

Name of Audit Agency: _____

Date: _____

NOTE: All costs approved on this budget must meet the tests of necessity, reasonableness, allowability, and allocability in accordance with applicable cost principles applicable to this award. All costs charged to this project are subject to audit. Recipients are responsible to insure proper management and financial accountability of federal funds to preclude future costs disallowances.

All categories must be supported by narrative justification.

**Certification Regarding
Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations are available from local offices of the U.S. Small Business Administration.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Business Name _____

Date _____

By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

SBA Form 1623 (10-88)



INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the ineligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.



U.S. SMALL BUSINESS ADMINISTRATION
CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature _____

Date: _____

Name and Title: _____