



SBA Procedural Notice

TO: All SBA Employees	CONTROL NO.:	9000-1884
SUBJECT: Women's Business Center Match Waiver Procedures	EFFECTIVE:	12/06/2010

Background

On September 27, 2010, President Barack Obama signed into Law the Small Business Jobs and Credit Act of 2010 (Public Law Number 111-240). Section 1401 of the Law provides SBA the authority to waive the non-federal match for the Women's Business Center Program. This authority is at the discretion of the SBA and no WBC is guaranteed a waiver of match. Under the Law, the waiver authority is valid only through Funds appropriated through Fiscal Year 2012.

Match funds are critical to the operation of the WBC program; however, SBA realizes that economic conditions may prevent a WBC from obtaining the full match amount, which would subsequently require SBA to reduce the federal award. The purpose of the match waiver is to mitigate funding challenges of those Women's Business Centers (WBCs) that are struggling to raise the required match in order to receive full funding as identified in each individual Notice of Award.

This Procedural notice will outline the eligibility requirements and provide the process by which a WBC can request a match waiver. SBA already has the option to reduce Federal funding to a WBC when the WBC requests a reduced amount of funds.

Eligibility

In order to be eligible to receive a waiver of match, a WBC must be in good standing in regards to its current or prior year grants. Before a WBC may request a waiver in match, the WBC must be current with all programmatic and financial reporting; must have successfully resolved any findings under SBA programmatic review or Financial exam including payment of any recoupments to SBA; and must demonstrate that a waiver of match will not undermine the credibility of the WBC, result in a loss of employment of the WBC staff, or result in a reduction of services to clients.

WBCs in the initial stage of their grant are normally required to match 50% during the first two years. Under this procedure notice, these WBCs can request a reduction in non-federal match up to 12.5%, thus requiring the match to be 37.5%.

WBCs in the initial grant that are in their third year and later, and all WBCs in sustainable or renewable grant phases, are normally required to match the federal funds at 100%. Under this procedure notice these WBCs can request a reduction in non-federal match up to 25%, thus requiring the match to be 75%

Types of Match Waivers

There are several types of match waivers for which a WBC may apply. Currently a WBC can request a reduction in their federal funds in cases where they cannot obtain the full non-federal match. Along with this option, SBA has identified three types of match reduction options. In order to request Option 2 or Option 3, a WBC must demonstrate that the previous Option(s) would not be sufficient to mitigate the non-federal match challenges.

Option 1: Time Extension in Obtaining Match – Generally, certification that the matching share has been obtained and expended on this project must be submitted to OWBO with each quarterly financial report, with the exception of the first quarter of the budget period.

EXPIRES: 12/1/2011

PAGE 1 of 3

SBA Form 1353.2 (12-93) MS Word Edition; Use 4-93 Edition Until Exhausted
Must be accompanied by SBA Form 58

This waiver is for those WBCs that believe that they cannot fully match the federal portion spent by end of the second quarter but will be able to fully match the SBA grant by the end of the 4th quarter.

Option 2: Reduction in Cash Match – This waiver assumes that the WBC does not have sufficient cash match but may have an overage of in-kind match which, if allowed, could be used to offset the cash match requirement.

For this match waiver, evidence of reductions in cash from third party entities will be valid documentation to qualify a WBC for this waiver. The cash portion of the match must not be less than 35% of the total match under this waiver.

Note: This match waiver does not apply to reductions in cash provided by the host organization from the amount certified in the original budget for a given budget. Only reductions in cash from third party entities will potentially qualify a WBC for this waiver.

Option 3: Reduction in Total Match – For this waiver, a WBC must be able to demonstrate that both the cash match and the in-kind match portions of the match have been adversely affected. For this match waiver, reductions in cash from the host institution, as submitted in the original budget, will not be accepted. Only reductions in cash from third party entities will potentially qualify a WBC for this waiver.

Procedure to Request a Waiver of Match

The match waiver provided under the PL 111-240 is not automatic for WBCs. This waiver must be requested in writing from the WBC and is granted at the discretion of the SBA. The SBA will look at the financial condition of the WBC, compliance with the WBC program, outstanding findings and recoupments from programmatic or financial exams, the current budget and proposed budget of a WBC, a narrative statement, certifications, and any other documentation required as documented below. After reviewing this information, the SBA will make a determination and send a formal letter to the WBC indicating whether the match has been waived. This letter should be retained as it will be a source document required during a financial examination of the WBC.

All documentation should be submitted to the Office of Women's Business Ownership as a complete packet of documentation as identified below. Incomplete packets will not be processed by OWBO and will be returned to the WBC. The match waiver request can be submitted at any time up until October 29, 2013 (Federal funds from FY2012). After this date, match requests will not be accepted. A WBC may only request 1 waiver per budget period.

Required Documentation

For each type of cash match waiver, the WBC will need to submit the following information for consideration:

1. A letter signed by the President of the board of directors, the executive director of the host institution, and the WBC director certifying that a match waiver will not result in a loss of WBC staff and will not result in a reduction of service delivery to the WBC clients.
2. A narrative statement including an explanation of the current financial condition of the WBC, the conditions that resulted in the need to request a match waiver, and the amount of the match waiver requested. For WBCs requesting a delay in obtaining match funding, the narrative should include the expected date when the match will be obtained and when the certification of match will be provided to SBA. This should be no later than the last day of the budget period for which the waiver is being requested.

3. A letter from the local SBA District Director supporting the request for a match waiver.

For waivers requesting a reduction in cash match or a reduction in total match, the WBC must also provide the following additional information:

4. A revised budget (Including the SF-424 package and budget summary) showing the reduced match. Note: should the SBA not provide a match waiver, the previously approved budget will remain in effect. Should the SBA provide a waiver in a different amount than requested, a revised budget based on the approved waiver amount will need to be submitted.
5. Any copies of letters showing funding sources have decreased support for the WBC from the previous year.

Any questions regarding this notice should be directed to Bruce Purdy, Deputy Assistant Administrator for the Office of Women's Business Ownership at (202) 205-7532 or Bruce.Purdy@sba.gov.

Ana R. Harvey
Assistant Administrator
Office of Women's Business Ownership