

SSBCI Briefing: Technical Assistance Grant Program Guidelines



Council of Development Finance Agencies

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May 26, 2022

Agenda

- ▶ Overview of the Technical Assistance Grant Program Guidelines
 - ▶ Guidelines for Eligible Recipients
 - ▶ Minority Business Development Agency (MBDA) TA Component
- ▶ Q & A

Guest Speakers

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State Small Business Credit Initiative (SSBCI) Technical Assistance (TA) Grant Program

May 26, 2022



Training Objectives

1. Overview
2. Eligible Recipients, Eligible Beneficiaries, and Eligible TA Providers
3. Subawards
4. Pre-Application Processes and Application Components
5. Application Review and Award Determination
6. Period of Performance
7. Funding Restrictions
8. Conflict of Interest
9. Reporting Requirements
10. Minority Business Development Agency (MBDA) TA Component



SSBCI TA Grant Program Overview

- **The TA Grant Program provides up to \$200 million for jurisdictions participating in the SSBCI capital program to provide technical assistance to qualifying underserved entrepreneurs and very small businesses with fewer than ten employees (VSBs).**
 - The TA Grant Program will support businesses applying to SSBCI Capital Programs or other federal or other jurisdiction programs by providing the businesses with:
 - ✓ legal,
 - ✓ accounting, and
 - ✓ financial advisory services.
- **Both the Capital Program and the TA Grant Program are authorized under the Small Business Jobs Act of 2010 (SSBCI statute) as amended by the American Rescue Plan Act of 2021 (ARPA) (12 U.S.C. 5701 §§ *et. seq.*).**
 - ✓ The Capital Program was reauthorized.
 - ✓ The TA Grant Program was authorized for the first time.

SSBCI TA Grant Program Overview (*continued*)

- **Since the SSBCI TA Grant Program is federal assistance program, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which are codified at 2 C.F.R. part 200, apply to the TA Grant Program, including:**
 - ✓ System for Award Management (www.SAM.gov) registration, and
 - ✓ Single audit requirements if the organization expends more than \$750,000 in federal awards in a year.

SSBCI TA Grant Program Overview (*continued*)

- **In addition to 2 C.F.R. part 200, other requirements that apply to the SSBCI TA Grant Program are:**
 - ✓ The SSBCI statute, as amended by ARPA (12 U.S.C. 5701 §§ et. seq.)
 - ✓ TA Grant Program Guidelines
 - ✓ Other SSBCI guidance, including Frequently Asked Questions (FAQs) that Treasury may publish from time to time
 - ✓ This information can be found at: treasury.gov/ssbci

SSBCI TA Grant Program – Eligible Recipients

- ✓ All States, the District of Columbia, and territories that submitted a complete SSBCI Capital Program application by February 11, 2022.
- ✓ Tribal Governments that submit a complete SSBCI Capital Program by September 1, 2022.

All eligible recipients must submit their SSBCI TA Grant Program application:

1. No later than June 30, 2022, for States, the District of Columbia, and territories;
and
2. No later than September 1, 2022, for Tribal Governments.

Eligible recipients will submit their TA Grant Program applications through an online portal, which is forthcoming.

SSBCI TA Grant Program – Eligible Beneficiaries

Very small businesses (VSBs)	Businesses owned by socially and economically disadvantaged individuals (SEDI-owned businesses)
A business with fewer than 10 employees and includes independent contractors and sole proprietors.	Businesses must certify they meet the definition of a SEDI-owned business as set forth in the TA Grant Program Guidelines.
Both VSBs and SEDI-owned businesses <u>must be applying for, preparing to apply for, or have previously applied for</u> a SSBCI capital program or other federal or other jurisdiction small business program to be eligible to participate in the TA Grant Program.	

SSBCI TA Grant Program – Eligible TA Providers

- ✓ An eligible recipient may carry out the TA Grant Program award itself, make a subaward for a subrecipient to carry out the TA Grant Program award, or contract with legal, accounting, and/or financial advisory firms to provide TA services.
- ✓ In accordance with 12 U.S.C. § 5708(e)(1), a subrecipient may be an entity of the eligible recipient (e.g., a state entity), or a legal, accounting, or financial advisory nonprofit or for-profit entity.
- ✓ A third-party contractor may be a legal, accounting, or financial advisory nonprofit or for-profit entity.

SSBCI TA Grant Program – Subawards

- ✓ The regulation at 2 C.F.R. § 200.331 provides guidance on determining when an entity is a subrecipient or a contractor. An eligible recipient that makes a subaward for a subrecipient to carry out a TA Grant Program award is called a pass-through entity.
- ✓ A pass-through entity must execute a subaward agreement with the subrecipient, which is a legally binding written agreement that includes a budget consisting of separate line items reflecting the budget categories as set forth in section V.d of the TA Program Guidelines or a fixed amount consistent with 2 C.F.R. § 200.332.
- ✓ A pass-through entity must require any subrecipient, including a lower-tier subrecipient, to comply with the terms and conditions of the grant agreement, including 2 C.F.R. part 200.

SSBCI TA Grant Program – Pre-Application Processes

- **Before starting the application, eligible recipient must complete two processes:**
 - ✓ www.SAM.gov registration: All eligible recipients must complete this process.
 - ✓ <https://portal.treasury.gov/cares/> - This link will take you to **id.me** if you have not already registered before starting your application.
- **Eligible recipients may also wish to obtain in advance the required designation letter that states that a specific agency, department or political subdivision has been designated to apply for, receive, and administer the TA award funds on behalf of the eligible recipient.**

SSBCI TA Grant Program – Application Components

- **Eligible Recipients will submit their TA Grant Program applications through an online portal, which is forthcoming.**
- **TA Plan: As part of the TA Grant Program application, eligible recipients must submit a TA plan that describes each project for which they will use TA Grant Program funds. Specifically, eligible recipients must address the following:**
 - ✓ Data-driven assessment of the needs of eligible beneficiaries in the eligible recipient's jurisdiction
 - ✓ The organizational capacity and ability of the TA providers
 - ✓ The connection between the TA project and SSBCI or other program that supports small businesses
 - ✓ The strategy and efforts to reach SEDI-owned businesses and VSBs that are eligible beneficiaries
 - ✓ Performance goals

SSBCI TA Grant Program –Application Components (*continued*)

➤ **Connection to Economic Benefits**

Describe how the anticipated TA providers together have the capability to achieve economic benefits to SEDI-owned businesses and VSBs in a manner proportional to the ratio of the eligible recipient's allocated capital funds under the SEDI capital allocation (12 U.S.C. § 5702(d)) to the Eligible Recipient's allocated capital funds under the VSB capital allocation (12 U.S.C. § 5702(f)). Treasury has published these economic benefit ratios in its Preliminary TA Grant Program Allocation Table.

➤ **Prioritization of SEDI-Owned Businesses as Providers**

Under 12 U.S.C. § 5708(e)(1), if an Eligible Recipient chooses to contract with third parties to deliver TA, the Eligible Recipient must prioritize providers that are SEDI-owned businesses, consistent with any applicable federal, state, and local requirements. In the TA plan, the eligible recipient must explain how the eligible recipient will implement this requirement and prioritize such providers.

SSBCI TA Grant Program –Application Components (*continued*)

➤ **Budget and Narrative Justification**

Using a template that Treasury will provide in the TA Grant Program application portal, eligible recipients must provide a budget, along with a narrative that identifies and explains how funds in each line item of the budget will be used to support the proposed TA projects.

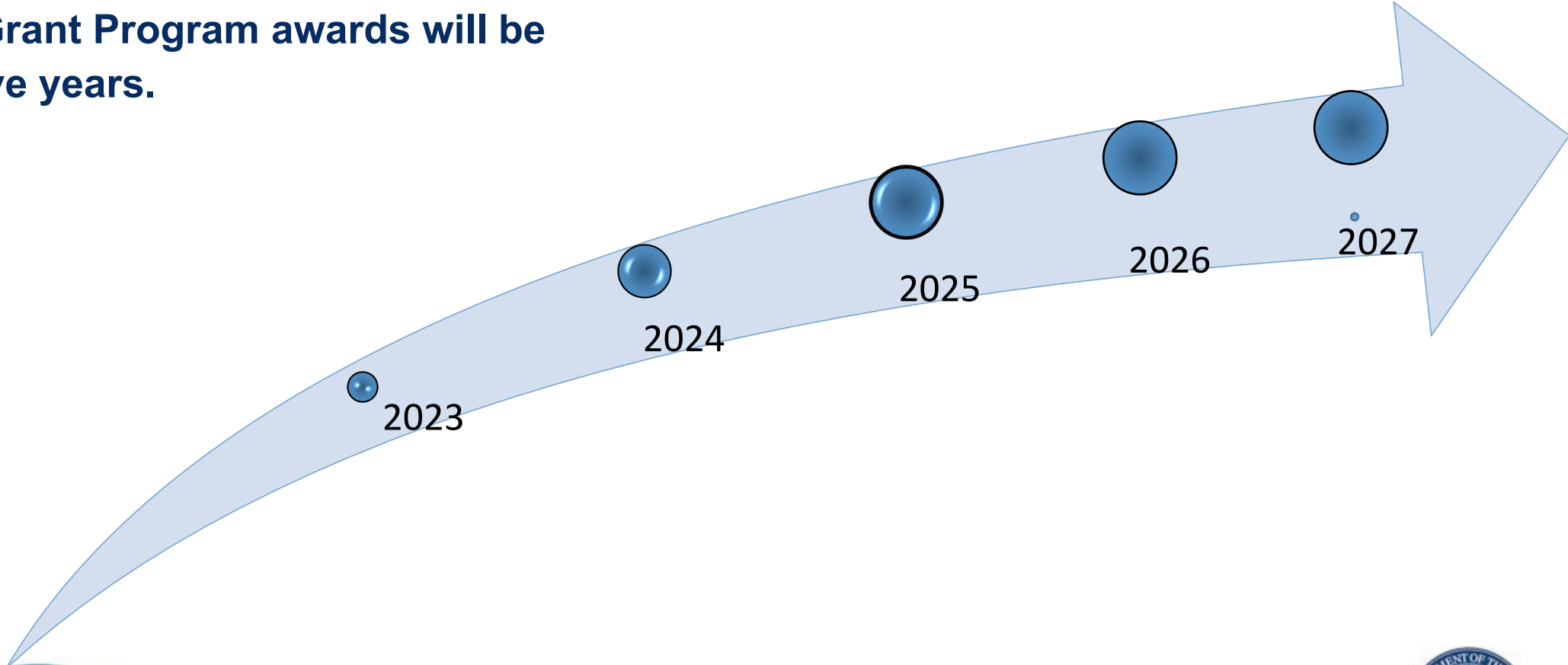
SSBCI TA Grant Program – Application Review and Award Determination

- **Treasury will assess TA Grant Program applications based on the following factors:**
 - ✓ Alignment of the project design with the needs of eligible beneficiaries
 - ✓ Alignment of the performance goals and benchmarks with project design
 - ✓ Adequacy of the organizational capacity and ability of the TA provider(s)
 - ✓ Alignment of the budget with project design and performance goals
 - ✓ Completeness of the TA Grant Program application

Throughout the review and selection process, Treasury may seek clarifications and request revisions to the TA plans and other TA Grant Program application materials.

SSBCI TA Grant Program – Period of Performance

Treasury expects the duration of the period of performance (PoP) for TA Grant Program awards will be up to five years.



SSBCI TA Grant Program – Funding Restrictions

➤ Eligible costs.

- Costs of providing legal, accounting, and financial advisory services to eligible beneficiaries.

➤ Allowable and Nonallowable Costs

- See the TA Grant Program Guidelines and 2 C.F.R. part 200 for additional guidance on categories of allowable costs (e.g., certain personnel and equipment costs) and nonallowable costs (e.g., construction costs, advertising and marketing activities except as provided in 2 C.F.R. § 200.421).

SSBCI TA Grant Program – Funding Restrictions (*continued*)

- **Pre-Award Costs:** Limited to 5% of the total amount of the award.
 - In accordance with 2 C.F.R. part 200, Treasury will not allow reimbursement for costs incurred before an award is made, unless a recipient demonstrates that the costs were incurred directly pursuant to the negotiation and in anticipation of the award, and that the costs were necessary for the efficient and timely performance of the scope of work.
 - Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with Treasury's written approval.
 - All costs incurred before Treasury makes the award are at the eligible recipient's risk.
 - Any pre-award costs should be requested as part of a TA Grant Program application. The TA Grant Program application must clearly describe the proposed pre-award costs in the scope of work and budget justification, and provide a compelling justification as to why Treasury should approve them.

SSBCI TA Grant Program – Conflict of Interest

- Recipients and subrecipients must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) that is applicable to all activities funded under the TA Grant Program award.
- In accordance with 2 C.F.R. § 200.112, recipients and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds.
- Recipients and subrecipients must establish and maintain a conflict of interest policy that includes safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain in the administration of a TA award.

SSBCI TA Grant Program – Reporting Requirements

- TA award recipients will be required to provide financial and performance reports pursuant to 2 C.F.R. §§ 200.328-329.
- TA Grant Program reporting guidance will be issued separately.

SSBCI TA Grant Program – Minority Business Development Agency

- Treasury’s broader plans for SSBCI Technical Assistance funding include a transfer of \$100 million to the Minority Business Development Agency (MBDA) at the Department of Commerce, which will focus its technical assistance on helping underserved entrepreneurs seeking direct capital investment, such as venture capital financing.
 - MBDA will tap into its extensive national network of partners to drive and recruit new program partners and SEDI participation.
 - MBDA plans to facilitate a range of technical assistance to small business, with a particular focus on providing support to entrepreneurs seeking venture capital financing and other forms of equity financing.
 - Additionally, MBDA will facilitate a suite of additional supportive services, such as intellectual property education and resources.

QUESTIONS

SSBCI_Information@treasury.gov



CDFA's SSBCI Resource Center

SSBCI Resource Center

The State Small Business Credit Initiative (SSBCI) is a \$10 billion small business program managed by the U.S. Department of the Treasury (Treasury). CDFA's SSBCI Resource Center is the central source for announcements, events, and information related to the SSBCI program.

States, U.S. territories, Washington, D.C., and Tribal Governments (Jurisdictions) are eligible to receive funding through SSBCI to capitalize financing and technical assistance programs for small businesses. Jurisdictions are empowered to structure SSBCI-supported programs that are uniquely designed to expand access to capital for small businesses emerging from the pandemic, build ecosystems of opportunity and entrepreneurship, and create high-quality jobs.

The SSBCI Resource Center includes the following resources to help you better understand the SSBCI program, and stay up-to-date as Treasury issues program guidance and Jurisdictions implement their SSBCI strategies.

- SSBCI Program Overview
- Resources to understand program guidance, including CDFA's **Analysis of the SSBCI Capital Program Policy Guidelines**
- Information about CDFA's SSBCI Coalition
- Details about upcoming events, learning opportunities, SSBCI resources and news

Want regular updates on SSBCI? Subscribe to CDFA's **SSBCI Update** newsletter.

⇒ **Subscribe**



⇒ **SSBCI Fact Sheet & FAQs**

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2022 SSBCI Learning Series

- ▶ March 25, 2022
Implementing your SSBCI Strategy
- ▶ April 29, 2022
Incorporating New Approaches and Financing Products
- ▶ May 13, 2022
Marketing Your SSBCI Program
- ▶ June 17, 2022
Approaches to Targeting Specific Economic Sectors
- ▶ July 29, 2022
Aligning your SSBCI Strategy with Federal Funding Priorities



2022 SSBCI Coalition Meetings

Upcoming meetings.

- ▶ June 24, 2022
- ▶ July 22, 2022
- ▶ August 19, 2022
- ▶ September 23, 2022
- ▶ October 21, 2022
- ▶ November 18, 2022
- ▶ December 16, 2022



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