

**SMALL BUSINESS DEVELOPMENT CENTER PROGRAM
ANNOUNCEMENT NO. OSBDC – 2004 – 01**

**U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT CENTERS**

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM
FY 2004 PROGRAM ANNOUNCEMENT
FOR FY2005 OR CY2005

TABLE OF CONTENTS

SECTION A – INTRODUCTION, PURPOSE and PROGRAM REQUIREMENTS

	PAGE
I. Introduction.....	1
II. Purpose	1
III. Definitions	2
IV. Performance Measurements.....	3
V. Program Overview.....	5
VI. SBA Name Recognition and Requirements.....	6
VII. Required Proposal Submission Dates.....	10

SECTION B – STATEMENT OF WORK

I. Statutorily Required Services.....	11
II. Localized Program Needs and Services.....	14

SECTION C -ADVANCE UNDERSTANDINGS

I. Hours of Operation	16
II. Travel.....	16
III. Pre-approved Requirement for Travel Outside the U.S.....	16
IV. Private Sector Competition.....	17
V. Publication and Postage Requirements.....	17
VI. Legal Services Restrictions	17
VII. EEO and Disabled Accessibility/Accommodation.....	17
VIII. Conflict of Interest Policy.....	17
IX. Changes in Points of Communication	18
X. Dispute Resolution.....	18
XI. Small Business Week	18
XII. Selection of a State/Region SBDC Director	18
XIII. Examinations and Accreditations	19
XIV. Leveraging Resources.....	19
XV. Disaster Operations Plan.....	19

ATTACHMENT A – DEFINITIONS

I. Client..... A-1
II. CounselingA-1
III. Counseling Session..... A-1
IV. Counseling Case..... A-1
V. Distance LearningA-1
VI. Early Start-Up Business.....A-1
VII. Electronic Commerce.....A-2
VIII. Existing Business.....A-2
IX. Goals and InitiativesA-2
X. Grants Management Officer.....A-2
XI. Information Transfers.....A-2
XII. In-Kind.....A-2
XIII. Lead District Director.....A-2
XIV. Loan Package.....A-2
XV. Nascent Entrepreneur.....A-2
XVI. Non-Debt FinancingA-3
XVII. Online Counseling.....A-3
XVIII. Online Training.....A-3
XIX. Pre-business WorkshopA-3
XX. Program Income.....A-3
XXI. Reporting Cycle.....A-4
XXII. SBDC Network/SBDC Program.....A-4
XXIII. SBDC Resource PartnersA-4
XXIV. SBDC Service CenterA-4
XXV. Special Emphasis GroupsA-4
XXVI. Training.....A-4

ATTACHMENT B - REQUIRED APPLICATION FORMAT

I. Budget Information.....B-1
II. Certification Forms and AssurancesB-1
III. Program Narrative.....B-1
IV. Milestones ChartsB-1
V. Program Management.....B-2
VI. Organization and StructureB-2
VII. SBDC NetworkB-2
VIII. Program ObjectivesB-2
IX. SBDC ClosuresB-2
X. SBDC Advisory BoardB-2
XI. Conflict of Interest Policy.....B-3
XII. Training.....B-3
XIII. Personnel.....B-3
XIV. Other FundsB-3

XV.	Treatment of Proposal Information	B-4
XVI.	Confidentiality & Dissemination of Information	B-4
XVII.	Multi-Year Proposal Instructions	B-4
XVIII.	First Year.....	B-4
XIX.	Second and Third Years.....	B-5
XX.	SBA and SBDC Duties and Responsibilities.....	B-6
XXI.	Executive Order 12372 Process	B-7

ATTACHMENT C - FINANCIAL

Section A - Budget Preparation and Funding

I.	Administrative Requirements and Cost Principles	C-1
II.	Payment of Dues	C-2
III.	Lobbying.....	C-2
IV.	Treatment of Service Center Costs	C-2
V.	Justification of Costs.....	C-3
VI.	Miscellaneous or Contingency Costs.....	C-3
VII.	Subcontracting	C-3
VIII.	Proposal Cost	C-3

Section B - Financial Guidelines

I.	Carryover Requests.....	C-4
II.	Use of Program Income	C-4
III.	Cash Match Requirement	C-4
IV.	SBA Requirement for Allocation of Federal Funds	C-5

Section C - Financial Definitions

I.	Budget Period.....	C-6
II.	Contributions/Donations	C-6
III.	Program Funds	C-6
IV.	Program Income	C-6

Section D - Financial Reporting Requirements

I.	Reporting Instructions	C-7
II.	Recordkeeping Instructions	C-8

ATTACHMENT D - REPORTING

Section A - Reporting Requirements

I.	Required SBA Reports.....	D-1
II.	Report Descriptions.....	D-1
III.	Quarter Counseling & Training Reports (EDMIS Summary).....	D-1
IV.	Report of Federal Cash Transactions.....	D-2
V.	Semi-annual Performance Report.....	D-2

VI. Annual Performance Report.....	D-3
VII. Economic Impact Data Report.....	D-3
VIII. Information Transfer Report.....	D-4

Section B - Reporting Category DefinitionsD-5

Section C - Recordkeeping Requirements

I. Counseling Activity Reports.....	D-9
II. Training Activity Report.....	D-11
III. SBDC Client Evaluation Forms.....	D-11

ATTACHMENT E – GUIDELINES

I. Counseling	E-1
II. Co-sponsorship Agreement	E-1
III. E-Counseling	E-1
IV. Environmental Assistance	E-1
V. Financial Assistance	E-2
VI. Financial Packaging Assistance Guidelines	E-2
VII. Financial Assistance Restrictions	E-2
VIII. Information Transfers.....	E-2
IX. International Trade Services	E-3
X. International Trade Center.....	E-3
XI. Manufacturing Assistance	E-4
XII. Military Base Closings and Reductions-in-Force.....	E-4
XIII. Minority Enterprise Development	E-5
XIV. Native American Assistance	E-5
XV. Procurement Assistance	E-5
XVI. Rural Development	E-6
XVII. SBDC State/Region Director	E-6
XVIII. SBTDC Designation.....	E-6
XIX. Surety Bond Guarantee Assistance.....	E-7
XX. Technical Assistance	E-7
XXI. Training.....	E-8
XXII. SBDC Cosponsored Training	E-8
XXIII. Veteran and Service-Connected Disabled Veteran Business Ownership	E-9
XXIV. Women’s Business Ownership.....	E-10

ATTACHMENT F – FORMS

Forms are available on the SBDC website at www.sba.gov/sbdc.

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM ANNOUNCEMENT

SECTION A

I. Introduction

The Small Business Development Center (SBDC) Program is the U.S. Small Business Administration's (SBA) largest matching grant-funded service delivery network providing quality customer service to the small business community. The SBDCs, in partnership with SBA's Office of Small Business Development Centers (OSBDC) and District Offices, develop programs and provide business management and other services that enhance the economic development goals and objectives of SBA and their respective states and local funding partners.

SBDCs, under Section 21 of the Small Business Act (15 U.S.C. § 648), are required to provide counseling and training to small businesses including working with the Administration to develop and provide informational tools for use in working with nascent entrepreneurs, early start-ups and existing business expansion. In addition, pursuant to 13 CFR §130.340(c), SBA has identified certain Special Emphasis Groups, veterans, service-connected disabled veterans and reservists called to active duty to be targeted for assistance by SBDCs.

The national SBDC Program is directed by the Associate Administrator for Small Business Development Centers under the direction of the Associate Deputy Administrator for Entrepreneurial Development. The local SBA district director is the primary contact for direction of the delivery of services to the small businesses in each District Office area, and for monitoring and overseeing the Cooperative Agreement and the ongoing operation of the SBDC. Therefore, the district director has the authority and is directly responsible for negotiating the cooperative agreement that will effectively deliver the services and achieve Agency goals.

II. Purpose

The SBDC Program is designed to provide high quality business and economic development assistance to small businesses and nascent entrepreneurs in order to promote growth, expansion, innovation, increased productivity and management improvement. To accomplish these objectives, SBDCs link resources of the Federal, State, and local governments with the resources of the educational community and the private sector to meet the specialized and complex needs of the increasingly diverse small business community.

SBDCs, Women Business Centers (WBCs), SCORE and U.S. Export Assistance Centers (USEACs), with assistance from SBA's district offices, must work collaboratively to coordinate their efforts in order to expand services and avoid duplication. Where the SBDCs are located in communities with these resource partners, the SBDCs will

coordinate with them in offering training and other forms of assistance to their clients. In addition, as part of the Cooperative Agreement, the district director and the SBDC State/Region Director will negotiate the furnishing of on-site SBDC counseling at the WBCs and the USEACs, subject to the availability of funds and local needs. SBDCs are encouraged to fully utilize the resources of other Federal, State and local government, academic and private sector programs concerned with aiding small businesses in order to provide seamless but not duplicative business development assistance.

III. Definitions

Numerous changes have been made to client definitions for counseling, training, online counseling and online training. These changes are being made in order to standardize definitions across all ED programs areas for the purpose of comparing their efficiencies and effectiveness. SBDCs are expected to provide in-depth, substantive, longer term, outcome-oriented counseling and training resulting in substantial economic impact as measured by successful business start-ups, job creation and retention and increased company revenues.

These definitions are as follows (other definitions can be found in Attachment A):

Counseling	Services provided to an individual and/or business that is substantive in nature and requires assistance from a resource partner or district office personnel in the formation, management, financing, and/or operation of a small business enterprise AND is for no less than one half hour initially and includes any counseling session thereafter regardless of time. Counseling is one-on-one, in person, on the telephone or electronically and is specific to the client's individual needs and requires a signed Form 641 or an equivalent form that supports SBA's management information database.
Reporting of Clients	A client will be counted once in a fiscal year with reporting to include both the number of sessions and the number of hours spent with the client.
Client	The client is the business if it exists. If the client is a nascent entrepreneur, the client is the individual.
Person-to-Person Counseling	30 minute initial person-to-person session with the client on an individual basis. Subsequent sessions must be substantive in nature and should be tracked.
Travel & Prep Time	To allow for reporting of time invested in a client, preparatory time will be tracked separately from counseling time but attributed toward counseling time in data reporting. Travel time will not count toward counseling time but will be tracked separately.
Training	An activity or event in which a counselor from a resource

	partner, district office personnel or a third party actively delivers a structured program of knowledge, information, or experience on a business-related subject to one or more people lasting 1 hour or more.
Counting Multiple Sessions Training	Training courses with multiple sessions count as one course. SBA's Entrepreneurial Development Management Information System (EDMIS) collects the number of sessions and hours for the course.
Reporting Training with Multiple SBA Sponsors	Sponsors must equitably divide the attendees so as to eliminate multiple counting. In situations where there are breakout sessions given individually by resource partners, each resource partner can count the respective breakout session attendees with the requirement that there is a sign-in sheet, an evaluation, and an SBA Form 888 prepared.
Information Transfer	Form 2226 elements, including: phone calls; info packets disseminated; newsletters; website visitors requesting information; clients using onsite library materials; clients attending presentations that do not qualify as training events; and e-mail counseling not meeting the counseling definition.
Online Counseling	Must conform to the same quality standards as person-to-person counseling: substantive in nature and requires assistance from a resource partner or district office personnel in the formation, management, financing, and/or operation of a small business enterprise AND is 30 minutes in length or more. The recipient of the counseling must acknowledge through an appropriate "electronic substitute" the requirements imposed by accepting counseling assistance from the SBA or its resource partner.
Counting Online Counseling	Must be counted as an information transfer unless the electronic counseling meets the same standards as person-to-person counseling and there is a signed SBA Form 641 or an equivalent form that supports SBA's management information database.
Online Training	Must be 30 minutes or more per session with both a client registration and an evaluation. If under 30 minutes, it is considered an information transfer.

IV. Performance Measurements

As participants in a grant program of the U.S. Small Business Administration, SBDCs are asked to be aware of overarching Administration goals as well as the following:

- Government Performance and Results Act (GPRA)
- SBA Five-Year Strategic Plan
- SBA's Annual Plan

- Office of Entrepreneurial Development's (OED) SCORECARD plan and
- Goals and other requirements identified as part of the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) Evaluation process.

In addition, SBA finds the following initiatives important for FY 2005:

- Co-branding of the SBA and SBDC logos
- Performance and Budget Integration
- Increased focus on -
 - procurement assistance
 - manufacturing sector assistance
 - existing businesses for expansion and growth.
- Completion of resource partner participation in EDMIS or SBA-designated centralized database system
- Participation in ED Impact Survey by assisting with client data and mailings
- Use of the online needs assessment process nationwide in all SBDCs
- Develop an online counseling pilot at an SBDC in each SBA region
- Participation in design of methodology for program evaluations
- A sharing capability of the SBDC clearinghouse with other ED resource partners

SBA, along with the other Federal Government agencies is becoming more focused on proven results, short-term and long-term, and performance-based budgeting as measured by achievement of goaled outputs and outcomes. The public documents above identify target program goals and performance measures and link their achievement with the budget process. SBA and the SBDCs have jointly identified the short- and long-term performance measurements for the SBDC program as follows:

Current FY 2005 Outputs for the SBDC program are:

- Increase in the incidence of online counseling
- Increase the number of nascent and early start-up clients served
- Increase the number of existing business clients served
- Increase the number of total clients counseled
- Increase the number of total clients trained
- Increase the number of information transfer contacts
- Increase the number of women clients
- Increase the number of clients counseled facing special competitive opportunity gaps

Current FY 2005 Outcomes for the SBDC Program:

- Number of business start-ups
- Number of business start-ups lasting more than one year
- Increased customer satisfaction rating
- Job Creation of 132,000 jobs created or retained
- Revenue growth of existing companies assisted

Finite numbers have not been agreed upon for each of the above categories. It is understood by SBA that the new client definitions conveyed in this announcement may effect how and what data is reported in FY 2005 and the Agency is making every effort to analyze historical production data based on the new definitions. The FY 2005 target goals will be calculated based on a combination of the revised historical data for a three year period (FY 2001, FY 2002 and FY 2003) and Census demographic information. Every effort will be made to make the goals available as close to the beginning of the grant year as is possible. All parties should be mindful that loan goals are not to be part of the negotiated goals.

In addition, the Association of Small Business Development Centers Certification Standards 4.1.1 and 4.1.2 relate to the goals set forth above.

V. Program Overview

SBDCs operate under a plan to provide assistance within a state or designated geographical area. The initial plan must have the written approval of the Governor, or his or her designee, or other evidence, confirming that the applicant's designation as an SBDC would be consistent with the plan adopted by the State government and approved by SBA. As a condition to any award made, SBDC applicants are required to provide at least an equal amount of matching funds from sources other than the Federal government. SBDCs operate under the provisions of 15 USC 648, 13 CFR Part 130, 13 CFR Part 143 or OMB Circular E-110, as well as other applicable OMB Circulars, a Notice of Award (Cooperative Agreement) issued by SBA, and the provisions of this Program Announcement.

The SBDC network shall provide services as close as possible to small businesses by using a variety of service delivery mechanisms, including satellite locations, traveling counselors, or electronic capabilities, as appropriate. The facilities and staff of each SBDC shall be located in such places as to provide maximum accessibility and benefits to the small businesses which the SBDC is intended to serve. The SBDC, in consultation with the SBA district director and OSBDC, will develop the extent to which SBDC statutory and program duties will be delivered to address the needs of the small business community in the area to be served. In doing so, SBDCs must ensure that statutory and regulatory duties are met.

Within statutory and regulatory boundaries, goals must be jointly negotiated and agreed upon with the full participation of the District Director and the SBDC State/Region Director. In areas with more than one district director, OSBDC will designate one district director (Lead District Director) to be responsible for negotiating and signing the Cooperative Agreement. The Lead District Director will confer with the other district director(s) to ensure their needs will be met as evidenced by their written concurrence. Additionally, in areas with more than one district office, one SBA district office project officer will be designated the primary point of contact.

The Lead SBDC shall establish a program control center to provide administrative services to the SBDC network within the state. These administrative services shall include, but not necessarily be limited to: (1) program development; (2) program management; (3) promotion and public relations; (4) financial accounting; (5) reports management; and (6) internal quality control. Records shall be maintained in the Lead SBDC indicating the Federal, State, local government, academic, and private sector resources available to the SBDC network and the types of services provided to clients. The Lead SBDC must have its own full-time staff, must have a separate budget and identity and should not be an indistinguishable part of a larger unit. Staffing shall include a full-time (100%) State/Region Director who shall operate and administer the operations of the SBDC network and shall have the authority to make expenditures under the Center's budget as well as manage the Program activities. Other statutory requirements for the SBDC are outlined in 15 U.S.C. 648 (c)(2).

Required Reporting Lines for SBDC State/Region Director: The SBDC Director within an educational institution must report to the school or college dean or an equivalent or higher level administrator. In a non-educational organization, the SBDC Director must report to an individual who is no lower than the third level of management or administration within a state agency.

It is the Agency's intention to continue to fund SBDC applicants annually to ensure ongoing services to small businesses. However, an SBDC may not receive continued funding if there has been a clear showing of poor performance, improper activity affecting the operation and integrity of the SBDC, or a failure to follow the rules and procedures set forth in the statute, regulation and/or program announcement as incorporated into the Cooperative Agreement.

VI. SBA Name Recognition and Requirements

The U.S. Small Business Administration (SBA) is committed to working closely with its resource partners to provide quality, customer-centric products and services that support the evolving needs of small business. Subject to the availability of funds, the SBA provides federal funding to SBDCs on an annual basis and each SBDC operates under the program's federal regulations and Section 21 of the Small Business Act. Accordingly, SBDCs are required to appropriately acknowledge SBA's support.

It is important to the SBA that its role, identity and network of resources be clearly understood by SBDC customers. Further, SBA wants to assure that all agency and partner resources are fully leveraged, such that product duplication is avoided and sharing is prominent among and between SBA, SBDCs nation-wide and other SBA resource partners.

Co-Branding of SBA and SBDC Logos

The SBA has developed new guidelines for SBA/SBDC co-branding to acknowledge the importance of the resource partner relationship, examples of which are shown below (the "Co-branded logo"). It is the intent of the SBA that all SBDC recipients utilize the Co-

branded logo on all marketing materials including, but not limited to, websites, signage, promotional pieces, information and training materials, and newsletters (“Materials”) in addition to a visible disclaimer, as set forth below. SBDC recipients may introduce the Co-branded logo into Materials as existing stocks are exhausted and to the extent financial resources are available, so as not to diminish resources otherwise available for SBDC core counseling and training activities. SBA recognizes that SBDC recipients operate in accordance with policies, procedures, regulations, agreements, and other understandings promulgated by and with host institutions and other partners and while every effort must be made to implement the Co-branded logo as soon as possible, SBA and SBDC recipients are mindful of these other relationships and agreements. Notwithstanding the foregoing, SBDC recipients are reminded of their obligation to visibly place the SBA logo and the disclaimer on all Materials in order to give SBA appropriate recognition. It shall be a material breach of the cooperative agreement to intentionally and repeatedly disseminate any Materials which do not include the disclaimer and either the Co-branded logo or the SBA logo.



As appropriate, SBA’s relationship with the SBDC will be expressly acknowledged by using the following statement in legible, easily readable print:

SBDCs are a program supported by the U. S. Small Business Administration and extended to the public on a non-discriminatory basis. SBA cannot endorse any products, opinions or services of any external parties or activities.

In addition, all SBDC web-homepages and subsequent web-pages will feature direct links to the SBA. Such links will include hyper-linking SBA’s logo to SBA’s website (www.sba.gov) and include the placement within SBDC websites of electronic icons, provided by the SBA, that link SBDC customers to targeted SBA resources. The use of different icons can be periodically alternated, giving customers an opportunity to learn about targeted resources, such as SBA’s Start-up Guide; Small Business Training Network; Entrepreneurial Development’s Training & Counseling Network; Guide to Federal Contracts for Women, Financing Toolkit; etc.

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 cooperative agreement, whether or not the materials are copyrighted. As such, all SBDC-developed or funded training and/or information materials, such as publications, training guides/materials, online courses, online tools, web sites, etc. prepared for the betterment of small businesses will be readily available to SBA and all of its resources partners. As part of their annual strategic planning process, SBDCs will be expected to develop plans for generating and sharing SBDC-produced training and information materials. These plans will be incorporated in the annual operating plan prepared by each SBDC lead center annually and reviewed with the SBA program office. Appropriate materials for sharing will also be sent to the SBDC Clearinghouse.

In addition, the grant recipient may not use the U. S. Small Business Administration's name or logo for the endorsement of any SBDC publication which contains editorial content. All such publications must have the additional following disclaimer:

This material is based on work supported by the U. S. Small Business Administration. Any opinions, findings, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.

In accordance with Section 504 of the Rehabilitation Act and the Americans With Disabilities Act of 1990, all notices, promotional items, brochures, publications and media announcements informing the public of events, programs, meetings, seminars, conferences and workshops sponsored or cosponsored by the SBA must include the following accessibility/accommodation notice:

Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact [name, address, and phone number of person who will make the arrangements].

Any surveys or information collections to be conducted by the recipient as a requirement of the cooperative agreement are subject to the requirements of the Paperwork Reduction Act, as amended. The SBA agrees that, before requiring the recipient to conduct any surveys or information collections, it will complete the necessary requirements under the Paperwork Reduction Act. Surveys conducted by the recipient, independent of the SBA, are not subject to the Paperwork Reduction Act.

In addition, the SBA will be involved in the following:

- a) Approving the acceptability of SBDC proposals (OSBDC and District Offices – in multi-district areas, each district director must sign the negotiated proposal);

- b) Checking that SBDC activities conform to the requirements of the law, the Program Announcement, the Cooperative Agreement, SBA policy, and other areas agreed upon;
- c) Monitoring and overseeing the Cooperative Agreement and ongoing operations of the SBDC network to see that Federal funds are used effectively and efficiently. This includes, but is not limited to: (1) reviewing records and files (including programmatic and financial reports); (2) reviewing procedures related to performance under this agreement; and (3) surveying SBDC clients to determine satisfaction with SBDC services;
- d) Checking that the SBDC has adequate policies and procedures to monitor the receipt and expenditure of program income, and checking that program income was used to further eligible SBDC program objectives;
- e) Checking that priority assistance is provided to clients referred by SBA consistent with the SBDCs resources;
- f) Determining the acceptability of SBDC activities submitted as part of accountability requirements; and
- g) Participating in the evaluation of SBDC program operations and resolution of disputes and policy issues.

REQUIRED PROPOSAL SUBMISSION DATES

All SBDC applicants are required to submit an electronic version on a diskette and an original and two copies of their final SBDC proposal to the appropriate SBA Project Officer. Proposals shall be limited to a maximum of 100 pages, including addendums.

To ensure timely refunding of SBDC continuing applications, the following time frames have been established for the submission of proposals throughout the SBDC/SBA network. ***STRICT ADHERENCE TO THESE TIME FRAMES BY BOTH SBDC APPLICANTS AND SBA PERSONNEL IS IMPERATIVE TO ALLOW THE AGENCY SUFFICIENT TIME TO REVIEW AND ISSUE THE COOPERATIVE AGREEMENT:***

SBDCs FUNDED ON THE FISCAL YEAR

July 9, 2004	Proposal due from the SBDC applicant to Project Officer in the SBA District Office – Project Officer, District Director and SBDC applicant complete proposal negotiations
July 23, 2004	Proposal due from the DD to the Office of SBDCs in SBA Headquarters for Program Manager’s review
August 6, 2004	Final proposal due from the Program Manager to the Grants Management Specialist for processing of the grant award

SBDCs FUNDED ON THE CALENDAR YEAR

August 20, 2004	Proposal due from the SBDC applicant to Project Officer in the SBA District Office – Project Officer, District Director and SBDC applicant complete proposal negotiations
September 17, 2004	Proposal due from the DD to the Office of SBDCs in SBA Headquarters for Program Manager’s review
September 30, 2003	Final proposal due from the Program Manager to the Grants Management Specialist for processing of the grant award

[Note: See Attachment B for Required Application Format]

SECTION B

STATEMENT OF WORK

The SBDCs must employ their best efforts to ensure that their economic development and technical assistance services are available to all small business populations, including those Special Emphasis Groups such as minorities, women, Native Americans, 8(a) firms in all stages, veterans and service-connected disabled veterans, reservists called to active duty, people with disabilities, individuals currently and formerly receiving public assistance, individuals in low and moderate income urban and rural areas, and individuals located in HUB Zones. (13 CFR 130.340(c)).

SBDC Services *(See Attachment E – Guidelines)*

Services provided by a Small Business Development Center must be negotiated with the district office(s) on an annual basis and are to include the goals and initiatives of the SBA Administrator. The services provided must include statutory service requirements. Such services shall include the activities of the lead SBDC (applicant) and all participating network members. Each applicant will be accountable to SBA for performing all services included in its proposal.

SBA expects the SBDC network to initiate pilot programs utilizing online counseling. It is intended that, with the onset of this program announcement, there will be one SBDC pilot program in each of the ten SBA regions that defines and delivers online counseling as a tool to market, initiate, amplify and/or expand the in-depth, long-term counseling which is the hallmark of the SBDC system. SBA's OSBDC and the ASBDC, both will oversee, monitor and evaluate these ten pilots as to their worthiness for more permanent incorporation as service delivery methodologies. By July 30, 2004 the regional pilots will be designated. Response proposals to this program announcement from the designated states (regions) should contain a plan for an online counseling pilot which shall run for the full agreement year and, in addition to the plan, shall propose the methodology and criteria by which it should be evaluated. Any proposals submitted by the designated state (regions) prior to designation of the pilots must be modified to include these plans.

Statutorily required services include :

- (A) **On a non-fee basis, one-on-one confidential counseling:**
 - (i) working with individuals to increase awareness of basic credit practices and credit requirements;
 - (ii) working with individuals to develop business plans, financial packages, credit applications, and contract proposals;
 - (iii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business startup planning, existing business expansion, and export planning;
- and

- (iv) working with individuals referred by the SBA district offices and SBA participating lenders.

(B) Technology transfer, research and development :

Assisting in technology transfer, research and development, including applied research, and coupling from existing sources to small businesses, including:

- (i) Working to increase the access of small businesses to the capabilities of automated flexible manufacturing systems;
- (ii) Working through existing networks and developing new networks for technology transfer; encouraging partnerships between the small business and academic communities to help commercialize university-based research and development; introducing university-based engineers and scientists to their counterparts in small technology-based firms;
- (iii) Under appropriate circumstances, exploring the viability of developing shared production facilities.

(C) Rural Assistance:

Assisting small businesses in rural areas in an effort to increase their participation in exporting, government procurement, tourism, access to credit, incubators, innovation and technology, and other small business programs, in cooperation with the U.S. Department of Commerce and other relevant Federal agencies.

The SBDCs may develop marketing and production strategies that will enable the rural businesses to better compete in the domestic market; provide technical assistance needed by rural small businesses; make available managerial assistance to rural small business concerns; and provide information and assistance in obtaining financing for business startups and expansion.

(D) Exporting Assistance:

In cooperation with the Department of Commerce and other relevant Federal agencies, actively assisting small businesses in exporting by identifying and developing potential export markets, facilitating export transactions, developing linkages between United States small business firms and prescreened foreign buyers, assisting small businesses to participate in international trade shows, assisting small businesses in obtaining export financing, and facilitating the development or reorientation of marketing and production strategies; where appropriate, the SBDC and the SBA may work in cooperation with State governments to establish a State international trade center for these purposes.

Developing a program in conjunction with the U.S. Export Assistance Centers and local and regional SBA offices that will enable SBDCs to serve as an information network and to assist small business applicants for trade finance programs, and otherwise identify and help to make available export financing programs to small businesses.

Working closely with the small business community, small business consultants, State agencies, universities and other appropriate groups to make translation services more readily available to small business firms doing business, or attempting to develop business, in foreign markets.

The SBDC may provide small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between SBDCs, U.S. Export Assistance Centers, the Department of Commerce (www.export.gov) and their respective informational international trade databases.

(E) Base closures:

Assisting small businesses to develop and implement strategic business plans to timely and effectively respond to the planned closure or reduction of a DOD facility within the community, or actual or projected reductions in such firms' business base due to the actual or projected termination or reduction of a DOD program or a contract in support of such program.

(F) Regulatory compliance:

Maintaining current information concerning environmental, energy, health, safety, and other Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Counseling and technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations. Developing information publications, establishing resource centers of reference materials, and distributing compliance guides published under section 212(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, PL 104-121.

(G) Specific informational needs:

Providing specific informational needs and assistance, including:

- Coordinating and conducting research into technical and general small business problems for which there are no ready solutions;
- Providing and maintaining a comprehensive library that contains current information and statistical data needed by small businesses;
- Maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business

groups and associations in order to help address the various needs of the small business community.

- Conducting in-depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in the locality.
- Using and compensating qualified small business vendors, including but not limited to, private consulting engineers and private testing laboratories to provide services to small businesses.
- Maintaining lists of local and regional private consultants to whom small businesses can be referred.
- Providing information and assistance to small businesses about establishing drug-free workplace programs.

Localized Program Needs and Services:

While it is acknowledged that SBDCs receive funding and have mandates to meet from other funding sources, District directors and SBDC State/Region Directors should negotiate services to meet local identified needs including:

(A) Entrepreneurial Development Services:

- Working with displaced manufacturing workers interested in starting their own business and/or working closely with the U.S. Department of Commerce, National Institute of Standards and Technology's Manufacturing Extension Partnership (MEP) Program to assist small manufacturers.
- Providing programs focused on existing businesses to assist them with growth and expansion.
- Developing, facilitating and/or leveraging appropriate distance learning programs and/or initiatives that can be utilized by small business clients, and where appropriate, other SBA resource partners.
- Using the SBDC Clearinghouse, also known as the SBDC Net, to assist in serving the needs of the small business community.
- Assisting people with disabilities to consider entrepreneurial opportunities and to succeed in business.
- Collecting, categorizing and making available, in consultation with the SBA, turn-key training programs representing the best-of-the-best from SBDCs. Such a training program would be in an electronic format and include a course syllabus, lecture presentation, faculty notes, outreach materials and an accompanying student text or information summary.
- Developing economic recovery programs and plans which include counseling of small business owners on ways and means to rehabilitate an on-going business through a re-directed approach to marketing and financial management. Subjects for counseling may include advice in seeking alternative markets for products or repackaging of outstanding

loans or other financial obligations and credit counseling for the reprogramming of debt. Training may also be offered to the small business owners which will introduce them to the new methods of doing business such as in e-commerce, etc.

- Encourage SBDCs to increase the use of the internet to expand outreach and improve the delivery of services (e.g., online counseling, more distance learning, and creation of expert tools for small businesses).

(B) Economic Development Involvement:

- All SBDCs are encouraged to participate in and actively support community development in their areas of geographic responsibility. This includes coordination and involvement with all levels of government – federal, state and local in support of initiatives that strengthen the infrastructure of the community, and ensure stability and equality in community based economic growth and development. The private sector, including business and professional organizations, should be invited to become stakeholders in the development of the community. SBDCs should act as catalysts to initiate development projects beneficial to the community as a whole.

(C) Government Contracting Assistance:

- Promoting SBA's SBIR and STTR Programs.
- Providing basic information needed by small business concerns interested in procurement opportunities in the Government arena (federal, state and local), including the use of electronic commerce and electronic marketing.

(D) Access to Capital and Other SBA Programs:

- providing financial packaging and other financial counseling assistance
- Informing small business contractors about SBA's Surety Bond Guarantee Program.

SECTION C

ADVANCE UNDERSTANDINGS

Services and programs provided through the Cooperative Agreement should not solely duplicate or replace any existing programs. (Federal funds shall not be used to supplant or solely duplicate existing programs). Where these understandings conflict with Section 21 of the Small Business Act, Part 130 of SBA's regulations, relevant OMB circulars, or SBA's policy notices, all of the above will control and take precedence over these understandings.

Hours Of Operation:

The Lead SBDC and service centers shall be opened to the public throughout the year during the normal business hours of the host institution. In addition, provision should be made to provide evening and weekend assistance, both online and in service centers, as appropriate to meet local community demands and needs. Anticipated closings shall be included in the annual renewal application. Emergency closures shall be reported to the SBA Project Officer as soon as is feasible. Other SBDC service providers shall be opened during the normal business hours of their sponsoring SBDC organization.

Travel:

The travel charged to the Cooperative Agreement must be in accordance with provisions of the grant and utilized in conformance with 13 CFR 130.460(g), and will be used under the same formula for travel reimbursement as provided by the host institution. Award funds are not available for the payment of per diem, lodging, meals or other subsistence expenses associated with local travel. However, Award funds may be used to pay transportation expenses for local travel.

SBDCs are authorized to include a certain amount of funds in the proposal for "unplanned" travel. Unplanned travel is defined as "travel which is necessary to further SBDC objectives, but for which a complete description and/or justification could not be provided in the proposal." SBDCs are required to notify the SBA Project Officer of any unplanned out of state travel and report after the fact in the quarterly or annual report. Requests for out-of-state travel exceeding the amount approved in the proposal must be submitted for prior approval to the SBA Project Officer.

Travel funds are authorized for the SBDC State Director and/or his/her designee to attend two Association of Small Business Development Center meetings per year. Travel funds may also be authorized for additional SBDC staff to attend meetings designed for professional development purposes. Further, one trip per year, as approved by the AA/SBDC, is authorized to allow the SBDC State Director and/or his/her designee to meet with national SBA officials to discuss local program initiatives.

Travel outside the United States and its territories which is either: (1) charged to the Cooperative Agreement; or (2) performed while on duty for the recipient organization must be submitted to the District Director who shall submit a recommendation to the AA/SBDC or his/her designee for prior approval on a case-by-case basis. (Travel to be

completed using vacation time regularly earned is not subject to approval by the AA/SBDC). Failure to obtain this approval may result in suspension or termination of funding.

Private Sector Competition:

SBDCs should not compete with the private sector and shall make every effort to avoid the appearance of competition with the private sector.

Publication and Postage Requirements:

Any publication generated by an SBDC with program funds, whether copyrighted or not, must include an acknowledgment of support by SBA (See page 15). This includes, but is not limited to, newsletters and training brochures. Publications produced by the SBDC must promote SBDC services and provide information of direct benefit to the SBDC's local small business community. Lead SBDCs and SBDC service centers are not authorized to utilize any type of SBA postage franking privilege.

Legal Services Restrictions:

SBDCs must not engage in the practice of law. This includes but is not limited to using SBDC counselors to provide individual legal advice, represent a client in litigation or any legal proceeding, or otherwise practice law as defined by the state in which the SBDC is located. SBDC counselors who are qualified by experience and training to discuss legal issues may do so in a general way, but they must not engage in an attorney-client relationship and must make appropriate disclosures and disclaimers to that effect. SBDCs may offer training courses on business law issues, provided that legal topics are presented by individuals qualified by training and experience to address such topics. In furtherance of their educational mission, SBDCs may negotiate arrangements with law schools to offer clients access to supervised student legal clinics that are approved by the state attorney licensing entity. The SBDC must make appropriate disclosures and disclaimers to that effect.

EEO and Disabled Accessibility/Accommodation Requirements:

All SBDC services must be rendered on a nondiscriminatory basis, and no individual may be excluded from any program because of race, color, religion, sex, age, disability or national origin. Workshops, seminars and conferences must be held in Disabled accessible locations. Reasonable accommodation must be made, upon request, for visually and hearing impaired attendees. SBDCs are required to make modifications and accommodations (which do not fundamentally alter the program or activity or entail undue hardship) to enable otherwise qualified disabled individuals to participate. The SBDC Network must comply with 13 CFR Parts 112, 113, 117, and 136.

Conflict of Interest Policy:

Each SBDC applicant must have a conflict of interest policy which is disseminated to all employees, consultants, instructors and volunteers of the SBDC network.

Changes in Points of Communication

The SBDC Director must notify the SBA District Director(s) and the Office of Small Business Development Centers within 10 days when changes occur in contact information such as physical addresses for Lead and service centers, telephone numbers, fax numbers, e-mail and web-site addresses.

Dispute Resolution:

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

Any dispute arising during the annual negotiation phase of the Cooperative Agreement, or after official award of the Cooperative Agreement, shall be resolved in the manner prescribed and within the time frames stated in the SBDC Regulations and the Notice of Award (Cooperative Agreement). Every effort shall be made to resolve disputes at the district office level.

When handling such disputes, the AA/SBDC has specific responsibilities assigned by law. Other responsibilities reside with district office personnel and headquarters offices. These are outlined in the SBDC regulations, the Notice of Award, and Agency regulations governing appeals.

Small Business Week:

SBDCs are encouraged to support, plan, implement and participate in U.S. Small Business Week activities in cooperation and coordination with local SBA officials. SBDC State/Region Directors and other SBDC personnel, with their strong links to prominent entrepreneurs and small business advocates in their communities, should nominate individuals for Small Business Week awards.

Selection of a State/Region SBDC Director:

- (A) The recipient organization must notify the SBA district director when the State/Region Director plans to resign.
- (B) A new SBDC State/Region Director should be selected as soon as possible. An Acting Director can be appointed until a Director is selected.
- (C) The SBA district director will encourage the recipient organization to broaden its search for a new SBDC State/Region Director as far as possible to obtain the best qualified candidates, including using the resources of the ASBDC.
- (D) The host institution must submit recruitment and selection plans for an SBDC State/Region Director position to the SBA district director (or Lead District Director when there is more than one district office) and the AA/SBDC for approval of their adequacy. The SBA must concur with the SBDC State/Region Director selection. If a district director **has concerns** with the selection of the SBDC State/Region Director, he/she must express those concerns in writing to the AA/SBDC for a final decision.

Examinations and Accreditations :

As outlined in 15 USC 648(k), biennial program and financial examinations of SBDCs are conducted by SBA's Office of Small Business Development Centers. An accreditation program is currently operated by the Association of Small Business Development Centers under contract from the SBA. As required by the Small Business Act, the SBA may not renew or extend any cooperative agreement with an SBDC unless it has been approved under the accreditation program. Where special conditions have been imposed upon an SBDC as a result of the accreditation process, a proposal including a plan of work describing actions to be taken and a timeframe for meeting the specified conditions must be prepared by the SBDC and provided to the AA/SBDC. OSBDC and the ASBDC Accreditation Committee will work together to focus on improvements and/or corrective actions resulting from financial examinations and Accreditation Reviews. The AA/SBDC may waive the accreditation requirement to obtain funding upon a showing that the SBDC is making a good faith effort to obtain accreditation.

Leveraging Resources:

SBDC training and/or information materials, developed with SBDC program funds, (such as publications, training guides/materials, outline courses, online tools, web-sites, CD ROMs and videos), will be readily available to SBA for other federal purposes. All such materials will provide appropriate credit to the developing SBDC. A plan for sharing such SBDC generated training and information materials for other federal purposes will be prepared by the SBDC program office in cooperation with the ASBDC and the SBDC Advisory Board.

Disaster Operations Plan:

Each Lead SBDC and its service centers must have in place disaster plans which are in coordination with the host institution to ensure delivery of services to small businesses in its area of operations, and such plans must be kept on file and available for review by SBA officials. Plans should be reviewed annually by the center directors and updated as needed. SBDCs individually, and in cooperation with SBA and other Federal Agencies as well as State and local entities are encouraged to provide disaster recovery assistance to support impacted small businesses in local economies.