

7(j) Management and Technical Assistance Services FAQs

1. What is the authority for this grant?

The Small Business Act, § 7(j); 15 U.S.C.A. § 636(j); 13 C.F.R. §§ 124.701-704

2. What is the Catalog of Federal Domestic Assistance Number for this grant?

The Catalog of Federal Domestic Assistance (CFDA) number for this solicitation is 59.007.

3. What is the required proposal submission date?

Applications are to be submitted electronically via www.grants.gov no later than **11:59 p.m. ET on September 15, 2011.**

4. What is the purpose of this grant?

The intent of this grant is to provide funding to eligible 8(a) firms to provide management and technical assistance and guidance to 8(a) small business concerns seeking to compete for larger federal procurements.

5. Who is Eligible to Apply?

In order to be eligible, an Applicant must:

- Be a certified 8(a) Program Participant;
- Have been in existence continually for at least the past three years;
- Have experience dealing with issues relating to small business on a national basis; and
- Demonstrate that it has the capacity to provide assistance to small business concerns.

6. How will SBA interpret whether or not an Applicant is a “well established national organization,” and has experience dealing with issues relating to small business on a “national basis?”

SBA’s interpretation in this regard is not necessarily that the Applicant must have a nationwide presence and be providing services on a nationwide basis. SBA is more inclined to interpret this as Applicants having a broader rather than limited outreach basis in assisting small businesses concerning business issues national in scope rather than local in scope.

7. What is the estimated funding for this grant?

SBA expects to issue \$2,100,000 worth of awards under this Announcement. SBA anticipates the amount of funding provided under each award will be in the range of \$150,000 to \$310,000. However, in the interest of promoting innovation, Applicants are permitted to submit proposals for projects with a total budget above or below the standard range, provided they include sufficient justification for such variance in their proposals.

8. How do I determine my project duration period (period of performance)?

Awards will be made for a 5-year period of performance, consisting of a base period of 12 months from the date of award and 4 option periods of twelve months each. Exercise of option periods will be solely at SBA's discretion and is subject to continuing program authority, the availability of funds, and a Recipient's continued satisfactory performance and compliance with all the terms and conditions of the award. Each base and option period will constitute a separate and distinct twelve-month Budget Period.

9. Are grantees required to contribute matching funds?

No. Recipients of a 7(j) Management and Technical Services grant are not required to contribute matching funds.

10. Which Activities are not allowable and cannot be funded?

- **Sub-granting**

A subgrant is a transfer of grant funds or property acquired with grant funds to a third party. As the Comptroller General of the United States has noted, there is no "inherent authority to give away the government's money or property." According to the Comptroller General, such action is only permissible "where authorized by Congress." Grants are products of legislation and thus are bound by the limits of the statutes that create them. Therefore, subgranting is only permitted where the statute creating the grant expressly authorizes the use of grant funds for the issuance of subgrants. Such authority commonly comes in the form of statutory language stating that the recipient is permitted to issue subgrants or, more broadly, to provide financial assistance. Examples of subgranting include:

- passing along grant funds to third parties to defray the cost of purchasing equipment, procuring services, or other expenses;
- the purchase of equipment or personal property by grant recipients for donation to third parties; and
- pass-through arrangements whereby a recipient serves as a "fiscal agent" who forwards Federal funding on to other parties who will then actually conduct the project in whole or in part.

- **Pass-Through**

A pass-through occurs where a recipient "outsources" its grant by entering into an agreement with a third party for the performance of all, or a substantial amount of the work, to be conducted on the project. This is a form of subgranting and is therefore not permitted without express statutory authority. While a grant recipient may certainly contract for the provision of services necessary to the conduct of the project (e.g., client trainers or counselors) or to support its administration of the grant (e.g., bookkeeping or computer services), recipients must nonetheless perform a substantial portion of the project using their own personnel. Additionally, regardless of the amount of contracting

done under a grant, a recipient must always retain responsibility for the oversight, management, and administration of all project activities. If you receive a grant from the Federal government it is **your** grant and **you** are responsible for carrying it out.

- **Tradeshow Activities Promoting the Organization**

“Tradeshow Activities” is a broad term encompassing such things as displays, demonstrations, exhibits and similar activities which create publicity or "brand awareness." The term also includes any personnel or facilities costs related to the use of displays, demonstrations, and exhibits. Grant funds **cannot** be used to pay costs associated with tradeshow activities. Please note that this prohibition is not an SBA rule. It is a restriction that is imposed across all Government agencies under regulations published by the White House's Office of Management and Budget. For more guidance in this area, see 2 C.F.R. Part 230, Appendix B, Para. 1(f).

- **Fundraising Activities**

Grant funds are not available to support **any** form of fundraising activities. This prohibition covers material costs such as letters and pamphlets, technology costs such as telephones and websites, and employee work time. It does not matter whether the fundraising is intended to benefit the organization, the project, or third parties. All fundraising is prohibited. This includes not only solicitations for contributions and endowment drives, but extends to the establishment or operation of angel networks and investment funds and the promotion of individual businesses to prospective investors as well.

11. How do grantees collect their grant funds?

Full grant funds are not allocated in advance. Payments are made by advance or through cost reimbursement requests in accordance with SBA-approved grantee budget and project milestones.

12. What are Indirect Costs and is there a cap for this grant?

Indirect costs are costs an organization incurs for common or joint objectives that cannot be readily and specifically identified with a particular grant project or other institutional activity (i.e., overhead costs). Indirect costs typically include administrative and clerical salaries, fringe benefits, costs of operating and maintaining facilities, equipment, grounds, and depreciation or use allowances. A grantee **must** have a current (applicable Fiscal Year) indirect cost rate agreement to charge indirect costs to a grant. If a grantee does not have a current Indirect Cost Rate Agreement (ICRA) with a cognizant Federal Agency, a grantee **must** submit an indirect cost proposal to SBA and negotiate an indirect cost rate agreement. **However, please note that for purposes of this grant, indirect costs will be capped at a maximum of 25 percent regardless of the amount stipulated in an Applicant's indirect cost rate agreement.**

13. May grant recipients expend award funds on contractor and/or consultant costs?

Yes. However, please note that no more than 49% of award funds may be expended on contractor and/or consultant costs.

14. Is an A-133 audit or an audited financial statement required?

Under OMB Circular A-133, with the exception of commercial organizations, institutions that expend \$500,000 or more a year in federal funds must have a single or program specific audit for that year. If your organization is not subject to the requirements of the Single Audit Act, you are required to submit a copy of your most recent **audited financial statement**.

This requirement is applicable to this Program Announcement. If an applicant receives more than \$500K in federal funding of all sources and types (grants & contracts combined from all federal sources not just SBA) in a given year, then they are subject to A-133. If they don't hit the A-133 threshold, then they still have to give us a copy of their most recent **audited** financial statement.

15. Section 5.2.4, Collaboration and Leveraging of Resources requires copies of agreements from the types of organizations pledging to work with the Applicant in order to advance specific Management and Technical Assistance Program objectives, does this include the SBA District Office?

No, this does not include the SBA District Office although it is mentioned under 5.2.4. The Applicant does not have to submit a letter from SBA because Section 1.6 provides for SBA's District Office involvement.