

**OFFICE OF FINANCIAL ASSISTANCE**

**MICROLOAN DEVELOPMENT BRANCH**

**FY 2010**

**PROGRAM ANNOUNCEMENT**

**FOR**

**MICROLOAN**

**AMERICAN RECOVERY AND REINVESTMENT ACT**

**TECHNICAL ASSISTANCE PROJECT**

**NO. MICRO/Fiscal Year-2010-02**

Under the Microloan Program, each Intermediary Lender is eligible to receive a Technical Assistance Grant. Please note that grant opportunity is only for U.S. SBA Microloan Program Intermediary Lenders. Grant funding is to be used for the provision of Technical Assistance to Microloan borrowers and potential borrowers under this Program as per the 13 CFR §120.712. Technical Assistance must be provided by the Intermediary as an in-house program. Loans to Intermediary Lenders are for a term of 10 years. Intermediary Lenders are eligible for grant funds during the pendency of their outstanding loans.

Proposals are to be posted to [www.grants.gov](http://www.grants.gov) by 11:59 PM EDT on April 9, 2010.

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## 1.0 Funding Opportunity Description

### 1.1.1 Program Overview

- |        |                               |   |
|--------|-------------------------------|---|
| 1.1.1  | Federal Agency Name           | U.S. Small Business Administration  |
| 1.1.2  | Funding Opportunity Title     | Microloan American Recovery and Reinvestment Act Technical Assistance Grant   |
| 1.1.3  | Announcement Type             | Annual  |
| 1.1.4  | Funding Opportunity Number    | MICRO/ARRA-2010-02  |
| 1.1.5  | CDFA Number                   | 59.046  |
| 1.1.6  | Closing Date for Submissions: | April 9, 2010   |
| 1.1.7  | Authority                     | Small Business Act, §7(m)(4)(a) (5 U.S.C. §73b-2)(ii) & Public Law 111-5  |
| 1.1.8  | Funding Instrument:           | Grant   |
| 1.1.9  | Funding:                      | Funding is for Calendar Year 2010<br>Up to 50% of each recipient's outstanding loan balance.  |
| 1.1.10 | Award Amount:                 | Funding is based on Intermediaries with a high proportion of new microloans will be made in relation to SBA debt will receive 50% and the one with a lower amount will receive 24% of microloan made in relation to SBA debt. |
| 1.1.11 | Project Duration:             | Awards will be made for a base project period of twelve (12) months.  |
| 1.1.12 | Project Starting Date:        | January 1, 2010   |
| 1.1.13 | Proposal Evaluation:          | SBA may ask applicants for clarification on the technical and cost aspects of proposal. This must not be construed as a commitment  |

to fund the proposed effort.

1.1.14 Agency Point of Contact: Small Business Administration, Office of  
Financial Assistance, Audrey Farley, Acting  
Chief, Microloan Dev. Branch  
[Audrey.Farley@sba.gov](mailto:Audrey.Farley@sba.gov)

## 1.2 Purpose

Under the Microloan Program, each Intermediary Lender is eligible to receive a Technical Assistance Grant. Please note that grant opportunity is only for U.S. SBA Microloan Program Intermediary Lenders. Grant funding is to be used for the provision of Technical Assistance to Microloan borrowers and potential borrowers under this Program as per 13 CFR §120.712. Technical Assistance must be provided by the Intermediary as an in-house program. Loans to Intermediary Lenders are for a term of 10 years. Intermediary Lenders are eligible for grant funds during the pendency of their outstanding loans.

## 1.3 Background

The Microloan Technical Assistance Grant is funded via SBA grant. The funds are obtained each year from SBA, Office of Financial Assistance budget. The grant is for a twelve (12) month period. This grant has been part of the U.S. SBA Microloan Program since the inception in 1992. The grant period runs from January 1 to December 31. The period is calendar year not the fiscal year.

## 1.4 Legislation

The Small Business Act (The Act) states in §7(m)(4)(a) (5 U.S.C):

The purpose is to make grants to eligible intermediaries that, together with non-Federal matching funds will enable such intermediaries to provide intensive marketing, management, and technical assistance to microloan borrowers.

The Office of Financial Assistance makes direct loans to eligible intermediaries, as provided under paragraph (3), for the purpose of making short-term, fixed interest rate microloans to startup, newly established, and growing small business concerns under paragraph (6); (ii) in conjunction with such loans and subject to the requirements of paragraph (4), make grants to such intermediaries for the purpose of providing marketing, management, and technical assistance to small business concerns that are borrowers under this subsection;

(iii) subject to the requirements of paragraph (5), make grants to nonprofit entities for the purpose of providing marketing, management, and technical assistance to low-income individuals seeking to start or enlarge their own businesses, if such assistance includes working with the grant Intermediary to secure loans in amounts not to exceed \$35,000 from private sector lending institutions, with or without a loan guarantee from the nonprofit entity.

(2) ELIGIBILITY FOR PARTICIPATION. An intermediary shall be eligible to receive loans and grants under subparagraphs (B)(i) and (B)(ii) of paragraph (1) if it--(A) meets the definition in paragraph (10); and (B) has at least 1 year of experience making microloans to startup, newly established, or growing small

business concerns and providing, as an integral part of its microloan program, intensive marketing, management, and technical assistance to its borrowers.

## 1.5 Program Regulations

Each Intermediary is responsible for the provision of on-going Technical Assistance to its Microloan borrowers. Technical Assistance does not stop once the loan is made. In actuality, this is where the most intensive Technical Assistance should begin. A strong Technical Assistance program will increase the probability of success of the Microloan borrower. A strong post-loan Technical Assistance program will help ensure a healthy loan repayment rate. In no case may Grant funds awarded by SBA for the purpose of providing Technical Assistance be used to pay the Intermediary's administrative costs of lending.

This Program supports a multiple-model approach to operating a Technical Assistance program. Generally, the models can be divided into four categories:

- **Individual Counseling** - Individual Counseling is a model within which a business person is provided with one-on-one counseling toward a specific goal, usually of obtaining financing, but often of improving an aspect of the management of their business.
- **Classroom Style Training** - Using this model, a number of clients, with similar goals, gather together on a regularly scheduled basis, to follow a pre-determined curriculum with a specified beginning and a specified ending.
- **Peer Group Training** - This training model gathers together small groups of clients (usually not less than four or more than seven), with similar needs, on a regularly scheduled basis. The groups gather to discuss common challenges, provide viable solutions, receive training from a facilitator, and/or assist in the loan application and approval process.
- **Sector Based Networking** - Using this model, the lender facilitates the formation of networks of inter-related types of businesses where each member acts as a support mechanism for each other member. These members come together to act in a cooperative fashion, providing the strengths of a big corporation in obtaining large contracts while maintaining each small business's autonomy for individual, smaller contracts. In addition, members of the network form lending groups, much like peer lending groups, using their sameness as the basis for the group community. The group program includes regular group meetings, provision of *Technical Assistance*, and financing discussion.

SBA recognizes that the effectiveness of any single approach, or any combination of approaches, may differ from one community to the next. In this light, SBA, while requiring the provision of Technical Assistance, allows the Intermediary to determine the best approach for its clients. Many Intermediaries use more than one approach.

## 2.0 AWARD INFORMATION

### 2.1 Funding Instrument

This type of assistance instrument for this funding opportunity is a grant.

### 2.2 Requirements of the Microloan Program Office

This grant is awarded every year to eligible U.S. SBA Microloan Intermediaries program participants.

In FY2010, SBA will continue to use loan production as part of the grant calculation. Intermediaries with a high proportion of new microloans to SBA debt will receive a higher grant percentage than those with a lower proportion of new microloans made in relation to SBA debt. In keeping with statutory objectives, this encourages smaller loan amounts and also increases the number of small businesses that can take advantage of the Microloan Program.

All grant periods for FY2010 will begin on January 1, 2010 and are scheduled to end on December 31, 2010. The MDB will notify each eligible Intermediary Lender via letter of e-mail of the grant amount they will receive for the 2010 grant period along with a request asking the Intermediary Lender if they want to accept or decline the grant. The Intermediary Lender will inform the MDB of their decision via fax.

### 2.3 Limitations

Up to twenty-five (25%) percent of the grant funds (includes both SBA grant and match) may be used to enter into third party contracts for the provision of technical assistance. Intermediaries are encouraged to provide general business training and broad spectrum technical assistance utilizing internal human resources. They are further encouraged to utilize this twenty-five (25%) percent allowance for specialized technical assistance requiring technical expertise in areas specific to the needs of individual industries.

This Award may not be transferred or assigned (neither in whole or in part) and no interest in this Award may be conveyed to any other party without prior SBA approval.

### 2.4 Additional Grant Funding

Intermediaries may receive an additional SBA grant equal to five percent of the base grant amount if they make at least 50 percent of their loans to small businesses located in or owned by residents of an Economically Distressed Area; or if they are a Specialized Intermediary Lender (13CFR §120.712). The extra five percent does not require any matching funds. The Intermediary must only match the base grant and not the additional five percent awarded. The 25 percent match must be from non-federal funds.

## 2.5 Exceptions to Contribution Requirement

Intermediaries that make at least 50 percent of their loans to small businesses located in or owned by residents of Economically Distressed Areas are not subject to the contribution requirements in section 2.2 of this section.

## 3.0 ELIGIBILITY REQUIREMENTS

### 3.1 Eligible Applicants

Microloan Program Intermediary Lenders that are 501(c)(3) are eligible to receive a grant funding from SBA if they have made at least one microloans in FY2009. Please note that all Microloan Program Intermediary Lenders are non-profit 501(c)(3) as determined by the Internal Revenue Service.

Only active Intermediaries are eligible for this grant. If you are not an existing Microloan Intermediary, your organization is not eligible to receive this grant.

#### 3.1(a) Ineligible Applicants

Any organization that currently owes an outstanding unresolved financial obligation to the Federal government.

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 (OMB A-133) within 3 years of the proposed funding period;

Any organization which had at least one unresolved, substantially non-compliant condition with SBA program guidelines occurring while administering or implementing any SBA program.

### 3.2 Cost Sharing and Matching

The Intermediary Lender must contribute, solely from non-Federal sources; an amount equal to twenty-five (25%) percent of the approved Federal grant amount. Community Development Block Grants (CDBG) funds are considered non-Federal funds for match purposes. Specialized Intermediaries are not required to provide match for the amount received as a bonus grant. The match may include cash, in-kind contributions or indirect costs paid for under non-Federal programs.

Please provide proof of your match. You may provide letters from donors who volunteer professional services, space, etc for any in-kind match. Please provide copies of your

Community Block Grants if you are using it as your match. Submit this information with your technical proposal.

The Intermediary Lender will indicate that the match requirement has been met for the period covered by each pay request by showing the non-Federal share of its project costs on each pay request.

### 3.3 Other Information

All applications and required documents must be submitted no later than two weeks after the Intermediary is notified of the grant amount letter for MDB at 11:59 p.m. eastern standard time. Any budget packages submitted after that date will be ineligible to receive a grant. Applications missing any of the required documents by the due date will be considered incomplete and therefore the Intermediary will be ineligible to receive grant funding for FY2010.

## 4.0 APPLICATION

### 4.1 General Instructions

All other forms contained in the application must bear original signatures. In the event the applicant's proposal contains confidential data, the applicant must follow part 102 of SBA's regulations.

### 4.2 Technical Proposal

The Technical Proposal should include the following information:

- Resumes of all key personnel (all personnel that will receive part of their wages from this grant, must be submitted each year)
- Job Description for all key personnel (same as above)
- Organizational chart and list of board of directors
- CPA Certification that financial system meets requirements per 2 CFR Part 215 Subpart C §215.12 - 213.29
- Formula for determining fringe benefits rate
- Indirect cost rating from cognizant agency (new if expired) or complete cost policy or detailed chart of how the costs are comprised.

### 4.3 Planned Milestone Accomplishments

The Planned Milestone Accomplishments should include the completion of the chart titled TA Narrative Report located at [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/template\\_ta\\_narrative\\_report.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/template_ta_narrative_report.pdf).

### 4.4 SBA Budget Justification

This template is in section 3 and 4 of the TA Narrative Report located at [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/template\\_ta\\_narrative\\_report.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/template_ta_narrative_report.pdf).

#### 4.5 ACH Vendor Form/Miscellaneous Payment Enrollment Form

This form is required from all grant Intermediaries. The bank account information is required for the transfer of reimbursement funds from SBA to the grant Intermediary. This form is located at

[http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/sf3881\\_misc\\_payment\\_enrollment.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/sf3881_misc_payment_enrollment.pdf).

#### 4.6 A-9 Budget Detail Worksheet for Twelve Month Budget Period

This form is required by all Intermediaries. It provides a detail account of how grant funds will be allocated for key personnel, personnel services, fringe benefits, consultants, travel, equipment, supplies, contractual agreements, overhead, general and administrative costs. The form is located at

[http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/forms\\_a-9-a-12\\_budget\\_wrksheet.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/forms_a-9-a-12_budget_wrksheet.pdf).

#### 4.7 Executive Summary

The executive summary is the narrative report describing your organization's history, your technical assistance program and how it's administered.

#### 4.8 501(c)(3) Letter

Proof of 501(c)(3) status as by the Internal Revenue Service is required for all grant Intermediaries.

#### 4.9 Lobbying Certification SBA1711

This form is required to disclose all lobbying activities. The form is located at [http://www.sba.gov/idc/groups/public/documents/sba\\_program\\_office/ovbd\\_sbaform\\_1711.pdf](http://www.sba.gov/idc/groups/public/documents/sba_program_office/ovbd_sbaform_1711.pdf).

#### 4.10 Submission Deadline

Please provide all required information no later than two weeks after the receipt of the letter notifying the Intermediary Lenders of their grant information.

### 5.0 APPLICATION INFORMATION

#### 5.1 Criteria

Please prepare a budget for the use of these funds in accordance with Microloan Program guidelines.

## 5.2 Review and Selection Process

This grant is non-competitive. The Microloan Office will review each package to ensure that all required documents are included and all required signatures are present. In addition, each package will be reviewed for cost allowability, match requirements, full budget narration and complete technical proposal submission.

## 6.0 AWARD ADMINISTRATION

### 6.1 Award Notices

Upon receipt of your budget, Microloan Program staff will begin to process the documents required for submission to the Division of Procurement and Grants Management (DPGM). Final awards will be issued by DPGM. DPGM will contact you directly if they need additional information. Upon receipt of your Notice of Award from DPGM, you must sign one copy and return it. **Until a signed Notice of Award is received by this agency, no grant payments may be made to your organization under FY2010 funding.**

### 6.2 Reporting Requirements

The program requirements are in general, Grant Reports are due on a quarterly basis. An Intermediary is allowed only one advance and this is when they first enter the Program. The Detailed Expenditure Worksheet must be completed and submitted with each request for advance/reimbursement. The Detailed Expenditure Worksheet serves as the supporting documentation for the advance/reimbursement claim.

Grant Reports are due on a quarterly basis and can be submitted along with the “loan-side” reports. Required quarterly Grant reports include:

Satisfactorily Completed (Standard Form 425, Federal Financial Report). This report provides an accounting of your organization’s grant expenses, reimbursements, and remaining available balance.

The Narrative Report (Standard Form PPR Performance Progress Report) is the *Intermediary’s* tool for providing information regarding the actual *Technical Assistance* activity provided. It is the ultimate supporting documentation for any reimbursement claims. Each quarter, the report should provide information regarding borrowers assisted, special situations encountered, classes provided, individualized training provided, and other pertinent information as indicated below (see 2 CFR 215).

Please use the template for Technical Assistance Report located under Appendix Three – Forms to assist in completing the Report.

- A comparison of the goals established at the beginning of the quarter and year-to-date to the accomplishments attained during the quarter and year-to-date. If in the second or subsequent year of participation, an annual comparison should be submitted. Discussion of goals, accomplishments, lack of accomplishments, plans of action, and new goals should be discussed in this section, as well reasons for slippage in those cases where the milestones were not met, and a plan of action to overcome that slippage.
- Client descriptions in terms of the number of loans made during the quarter and the amount of hours spent on Technical Assistance for each Microloan made. A year-to-date update of the same information. A description of the type of Technical Assistance provided to each Micro borrower during the quarter (site visits, in office counseling, classroom instruction, etc). A description of Technical Assistance provided in previous quarters to individuals becoming Micro borrowers during this quarter and for whom reimbursement will be sought.
- A narrative discussion relating directly to the information submitted on Standard Forms 425. Discuss actual expenditures versus budgeted expenditures by budget category. A narrative discussion of Program effectiveness, significant Intermediary accomplishments, difficulties encountered, significant borrower accomplishments are also included.
- Any other pertinent information regarding significant accomplishments.

Quarterly reports are due within **thirty days** from the ending date of each quarter. An original and one copy of the quarterly reports are required. The beginning and ending dates of quarters are provided below.

<u>Beginning Date</u>	<u>Ending Date</u>
October 1	December 31
January 1	March 31
April 1	June 30
July 1	September 30

### 6.3 Administration and National Policy

All costs approved on the proposed budget must meet the tests of necessity, reasonableness, allowability, and allocability in accordance with cost principles applicable to the grant. All costs charged to the project are subject to audit. Intermediaries are responsible to insure proper management and financial accountability of Federal funds to precluded future cost disallowances.

SBA reserves the right to approve or disapprove the employment of key professional-level employees of the Intermediary in the management operations of this project. The Intermediary must submit resumes, in sufficient detail to reveal the experience, education, and other general and special qualifications of the position, to the MDB for consent prior to employment of a candidate, if such information was not included in the application for assistance upon which this grant award is made.

SBA must approve equipment purchases. Refer to 2 CFR Subsection 215.34 (f) for the information that must be included in the Intermediary's property management standards for equipment acquired with Federal funds.

## 7.0 AGENCY CONTACTS

### 7.1 Analyst Names and States Serviced

If you have any questions regarding your application please contact your analyst. Each analyst is assigned to a state. Listed below are the analyst and the state they service.

Analyst	State
Jaunice Rufai <a href="mailto:Jaunice.Rufai@sba.gov">Jaunice.Rufai@sba.gov</a> 202-401-1469	CA, GA, NM, PR
Andean Lewis <a href="mailto:Andean.Lewis@sba.gov">Andean.Lewis@sba.gov</a> 202-207-7698	TX, FL, CO, FL, ME, VT
Barbara Jones <a href="mailto:Barbara.Jones@sba.gov">Barbara.Jones@sba.gov</a> 202-205-7550	HI, ID, KS, KY, LA, MD, OR, SD, WI, TN
Earnest Knott <a href="mailto:Earnest.Knott@sba.gov">Earnest.Knott@sba.gov</a> 202-401-6786	MN, NY, MO,
Andrea Giles <a href="mailto:Andrea.Giles@sba.gov">Andrea.Giles@sba.gov</a> 202-205-	PA, NJ, NH, IA, WV
Janis Ackerman <a href="mailto:Janis.Ackerman@sba.gov">Janis.Ackerman@sba.gov</a> 202-205-7798	AZ, DE, IL, IN, MS, MN, NE, NC, ND, OH, DC, WY
Craig Rossi <a href="mailto:Craig.Rossi@sba.gov">Craig.Rossi@sba.gov</a>	OK, NV, SC, AK, AL, MA, WA, UT MN

202-205-7634

Daniel Upham

[Daniel.Upham@sba.gov](mailto:Daniel.Upham@sba.gov)

202-205-7001

MI, AR, CT, RI, VA

## 8.0 Application Checklist

### 8.1 Checklist

#### Checklist for Budget Package Submission

	Completed SF 424 (including blocks 4, 5, 10, 12, and 14); original signature must also be on this form. Please use the current version of the forms available on the OMB website at: <a href="http://www.whitehouse.gov/omb/grants/grants_forms.html">http://www.whitehouse.gov/omb/grants/grants_forms.html</a> .
	Block 4 – Write in your current grant # (SBAHQ-09-Y-_____) under the block Federal Identifier
	Block 5 - If your organization does not have a DUNS number, one may be obtained at no cost by calling the dedicated toll-free DUNS Number request line at 1-866-707-5711
	Block 10 - CFDA # is 59.046
	Completed SF 424A – Budget
	Budget Detailed Worksheet 12 Month Expenditures – All items in your budget should be described in detail; Travel should include your local per diem and travel mileage rate
	Completed SF 424B – Assurances
	Technical Assistance Milestones
	Executive Summary – Please title this narrative with the words “Executive Summary”
	Copies of all contractual/consultant agreements
	Organization chart and list of board of directors
	SF-LLL Lobbying Form ( <b>Needs to be filed by first time grant recipients</b> )
	Resumes – Each year you must submit a resume for each member of your organization that will receive part of their compensation through this grant.
	Job Descriptions for all key personnel (same as above)
	ACH Vendor Form Payment Enrollment – SF 3881- (Leave Agency Information Blank)
	Formula for determining fringe benefits rate
	Indirect rate from a cognizant agency - (new, if expired) Complete the attached chart if this box is checked. (The chart will only be attached if this box is checked)
	Previous year’s audited financial statements that meets OMB Circular 133 requirements
	CPA Certification that your financial system meets the requirements of 2 CFR Part 215, Subpart C, §215.21 through 215-29 ( <b>Annual Requirement</b> )