

Public Meeting: Guidance on MBDA Applications for Federal Funding

July 23, 2015
New Orleans, LA



Grow your business. Build the Nation.

AGENDA



- Welcome
- Meeting Guidelines
- Introduction of Speakers
- Purpose of Public Meeting
- About MBDA and Programs
- How to Write a Successful Application
- Single Audit and Compliance
- Questions and Answers
- Close

MEETING GUIDELINES



- Public Meeting
- In House and Live Webcast Presentation
- Webcast Recording
- Additional Information Forthcoming
- Limited Question and Answers
- Sign-Up for Future Notices

SPEAKERS



Minority Business Development Agency (MBDA)

- Efrain Gonzalez, Associate Director, Office of Business Development
- Nakita Chambers, Program Manager, Office of Business Development

National Oceanic and Atmospheric Administration (NOAA)

- Debbie Chen, Branch Chief, Grants Management Division
- Tracy Jackson, Senior Grants Management Specialist/Audits

Purpose of Public Meeting



- Increase public awareness of MBDA and its programs
- Acknowledge current Business Center program end in calendar year 2016
- Anticipate initiating competition for new round of program awards by early Fall 2015
- Educate public on building better proposals and planning



ABOUT MBDA



MBDA is an agency of the **U.S. DEPARTMENT OF COMMERCE** working on behalf of the nation's minority-owned firms in support of their growth and global competitiveness.

VISION

**Economic prosperity for all American
business enterprises**

MISSION

**To promote the growth of minority-owned business through the
mobilization and advancement of public and private sector
programs, policy, and research**

U.S. Minority Business Enterprises



- Contribute **\$1 trillion** in economic output
- Create nearly **6 million jobs** for U.S. citizens
- Represent **21% of all firms** in the U.S.

There are

**5.8
million**

minority-owned
businesses in the U.S.

Source: U.S. Census Bureau, "2007 Survey of Business Owners"

STRATEGIC FOCUS



BUSINESS DEVELOPMENT

Maximize **JOB CREATION** and **GLOBAL COMPETITIVENESS** for U.S. minority-owned businesses through increased access to capital, contracts and markets.

EDUCATION, RESEARCH AND INFORMATION

PRODUCE and **PROMOTE INFORMATION** for and about minority business enterprises.

POLICY, ADVOCACY, AND OUTREACH

Create informed **POLICY AGENDAS** to **ADVOCATE** for and to conduct **OUTREACH** on behalf of minority business enterprises.

OPERATIONAL EXCELLENCE

Advance agency services by being **RESPONSIVE** and **NIMBLE**, rapidly adapting to the changes in the minority business landscape.

MBDA BUSINESS CENTERS



Services: Access to Capital



- Identify and broker financing opportunities
- Capital identification based on industry specialization
- Financial management and planning
- Financing forums and networking events
- Identification and closure of mergers and acquisitions



Services: Access to Contracts



- Identification of procurement opportunities
- Solicitation analysis
- Bid and proposal preparation
- Post-award contract administration
- Business certifications and registration assistance
- Targeted teaming arrangements and joint ventures



Services: Access to Markets



- First-of-its-kind MBDA Federal Procurement Center
- Market research, feasibility studies, and promotion
- Sales consulting and forecasting
- Business-to-Business (B2B) matchmaking forums
- International market analysis and trade assistance



Expanded Services: Specialty Expertise in the Network

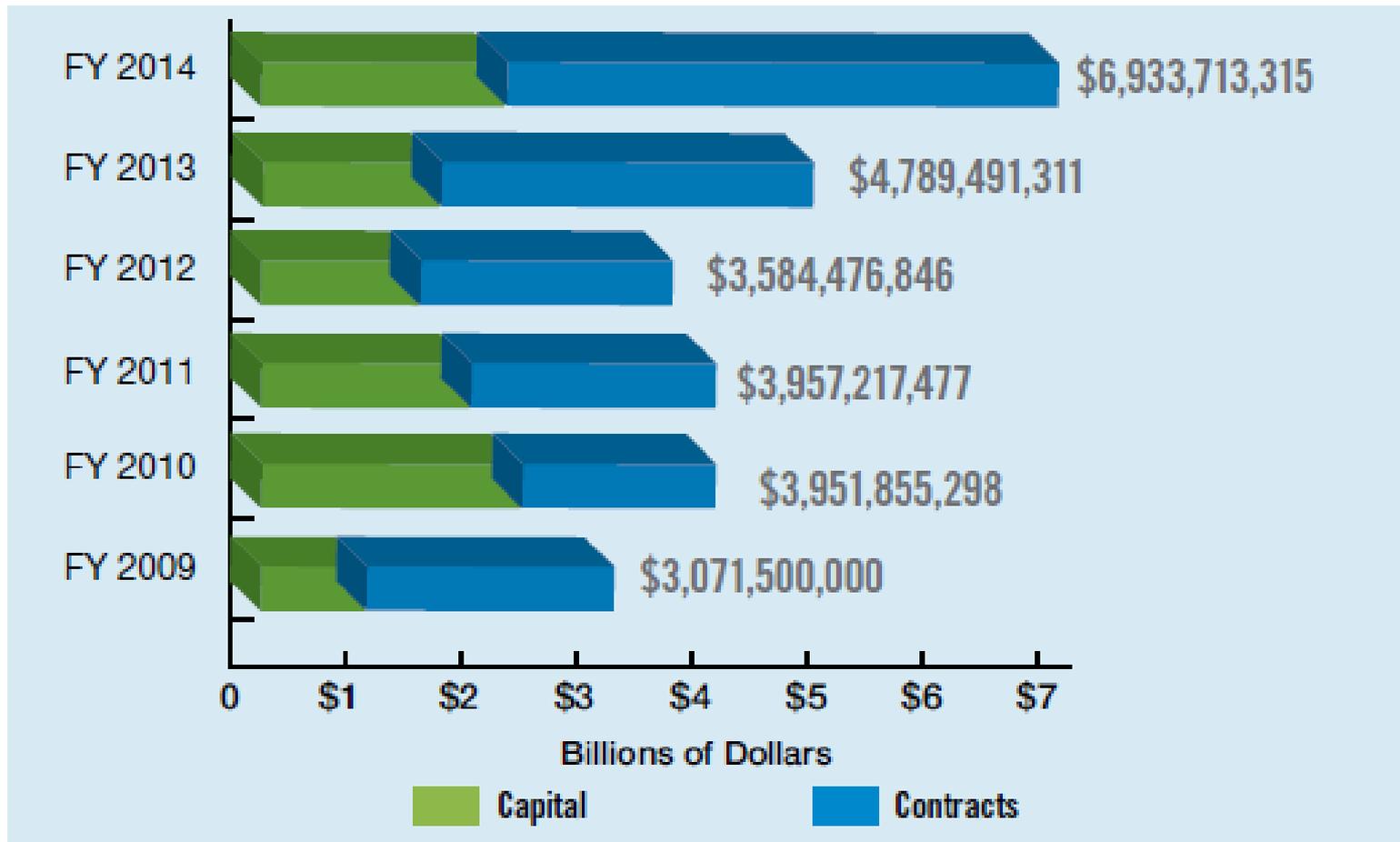


Nine (9) MBDA Business Center locations offer specialty expertise.

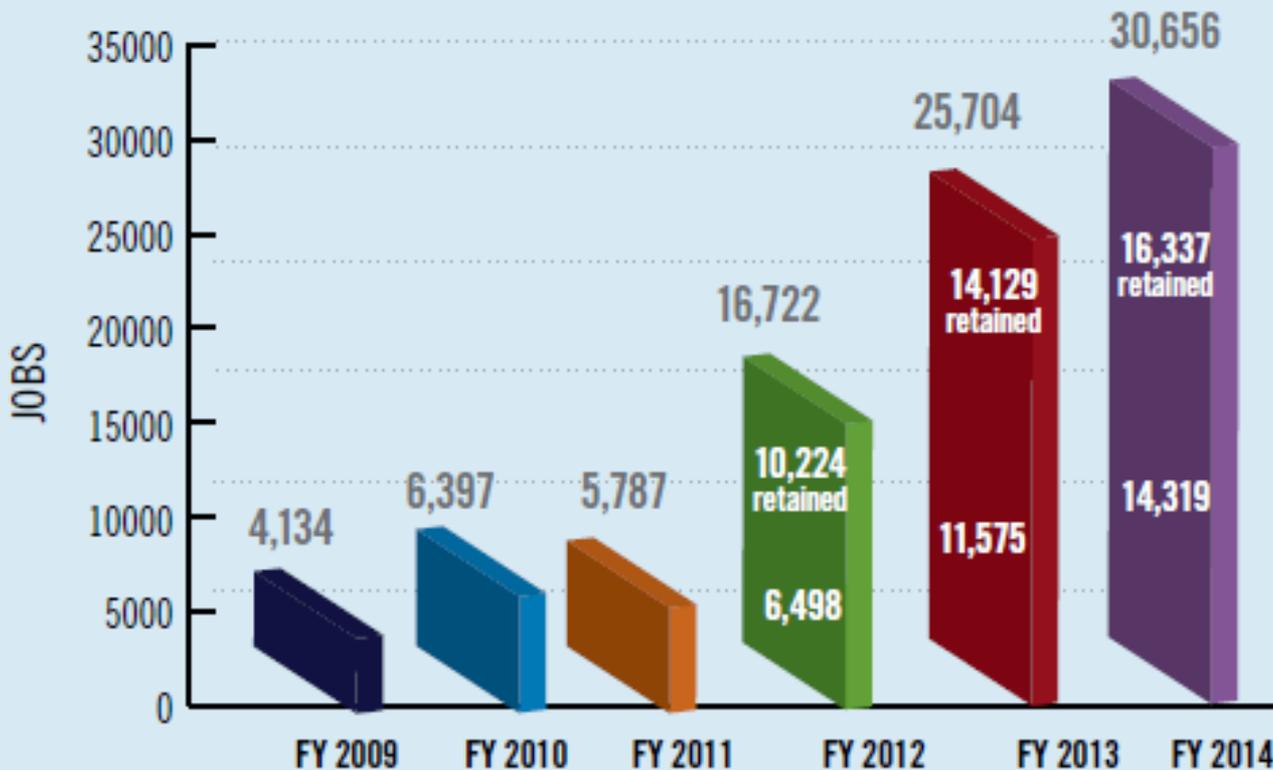


- Advanced manufacturing initiatives
- Capital initiatives for traditional and alternative financing
- Exports and business linkages in emerging economies
- Technology transfer and innovation

Performance: Contracts & Capital



Performance: Job Creation & Retention



*Jobs retained not tracked prior to FY 2012



Questions & Answers



How to Write a Successful Application

Debbie Chen
Branch Chief
Grants Management Division
NOAA

Topics



- Federal Grant Making Life-cycle
- Federal Funding Opportunity
- Project Narrative
- Budget Guidance
- Standard Forms & Budget Justifications
- Reminders

Grant-making Lifecycle



Federal Funding Opportunity (FFO)

- Grants.gov
- Pre-application conference
- Letters of Intent/pre-applications
- Frequently Asked Questions

Application Submission

- Mandatory forms SF-424 family
- Certifications (e.g. CD-511)
- Project Narrative
- Budget pages/budget narrative
- Other (e.g. Bios, Letters of Commitment)

Compliance Review

- Requirements of the FFO (e.g. deadline, page limits, proper forms, etc.)
- “Responsive” to FFO (e.g. appropriate field)
- **Applications may be rejected at this stage**

Grant-making Lifecycle cont.



Technical Review

- Independent reviews based on criteria published in FFO

Selecting Official

- Determines which applications to recommend for funding
- May skip high-scoring applications based on Selection Criteria published in FFO

Administrative Review/Award

- Risk Assessment of applicants (Suspension/Debarment, etc.)
- Budget reviews
- Issue Notice of Award

The FFO is Your Guide



Grant Application Checklist (example)



SF-424 – Application for Federal Assistance



SF-424A – Budget Information



SF-424B – Assurances for Non-Construction Programs



SF-LLL – Disclosure of Lobbying Activities



CD-511 – Certification Regarding Lobbying



Project Narrative



Budget Narrative

Project Narrative Checklist (example)



Organizational Capacity

- Who are the key personnel and what are their qualifications?
- What prior experience does the organization have in this subject area and how successful was the project?

Resources

- What internal resources can be leveraged for this project?
- What relationships and outside resources are available?

Project Plan

- How will work be executed?
- What is a realistic timeline for accomplishing goals?
- How will performance goals be measured?

Project Narrative – To Do's



- Adhere to the content and form requirements Federal Funding Opportunity (FFO)
- Demonstrate understanding of the requirements
- Be clear and precise
- Be specific about outcomes
- Be specific about the duration of the project(s) and anticipated milestones

*Write to your audience!

Project Narrative - Common Problems



Writer's Block

Focus more on writing ideas

Refine format and language later

Logical Flow

Revisit to ensure proper flow

Introduce topic in first sentence of each paragraph

Excessive Long Sentences

Use clear and concise language to ensure properly understood

Passive Voice

Passive voice is a misuse of words; use active voice

Ex. Use "shall" or "will" (not "should" or "may")

Consistent

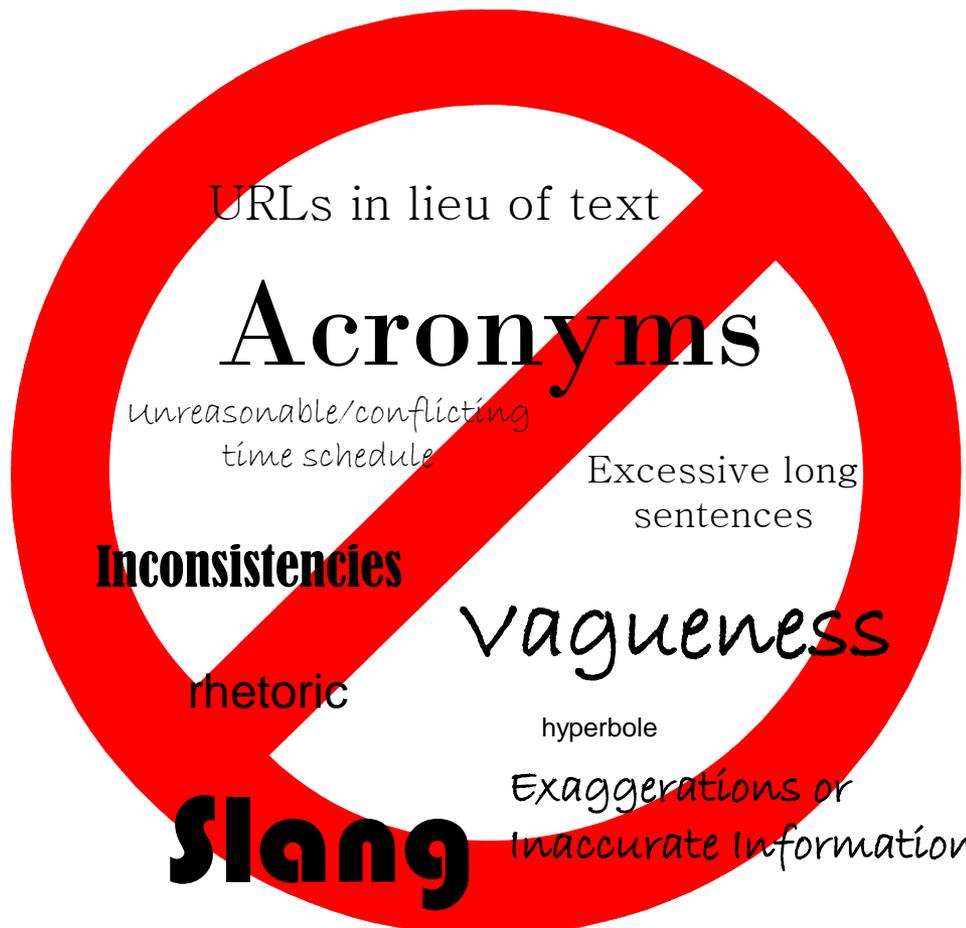
Ensure your stated goals, approach, and outputs/ outcomes are consistent

Reasonable time schedule

Carefully consider proposed activities for the project period

Avoid requests for no-cost extensions at the end of the project period

Project Narrative – To Avoid



URLs in lieu of text

Acronyms

*unreasonable/conflicting
time schedule*

Excessive long
sentences

Inconsistencies

Vagueness

rhetoric

hyperbole

Slang

*Exaggerations or
Inaccurate Information**

*All information submitted to the Federal government in the application and any reports is subject to the False Claims Act

Personally Identifiable Information



- Take reasonable measures to safeguard protected personally identifiable information (PII)
 - Avoid home addresses and home/personal cell phone numbers on resumes
 - Do not provide Social Security Numbers
- Freedom of Information Act (FOIA) requests

CONFIDENTIAL

Budget Narrative – To Do's



- Demonstrate costs are reasonable, allowable, allocable, and necessary
- Ensure consistent with SF-424 (#18) and SF-424A, and the match adds up!
- Provide breakdown of budget that aligns with the SF-424A object class categories
- Provide breakdown of Federal vs. non-Federal
- Program Income (i.e., client fees, membership fees, success fees, and/or other acceptable fee structures proposed) must be adequately addressed and properly documented, including but not limited to how the proceeds will be billed, collected, waived and used by the applicant in furthering the program objectives.
- Include most recent negotiated indirect cost rate agreement (NICRA), if applicable
- Adhere to the cost principles

SF-424 – Application for Federal Assistance



OMB Number: 4310-0004
Expiration Date: 03/10/16

- Ensure name and address are correct
- Ensure EIN/TIN and DUNS are accurate
- Include Catalog of Federal Domestic Assistance (CFDA) number
- Include funding opportunity number and funding title
- Include a descriptive project title
- Ensure project start/end dates are accurate
- Ensure the federal and non-federal share in #18 – Estimated Funding is accurate!
- Signed/dated by Authorized Representative

Application for Federal Assistance SF-424

***1. Type of Submission:**
 Preapplication
 Application
 Changed/Corrected Application

***2. Type of Application:**
 New
 Continuation
 Revision

*** If Revision, select appropriate letter(s):**

*** Other (Specify):**

***3. Date Received:** **4. Applicant Identifier:**

5a. Federal Entity Identifier: **5b. Federal Award Identifier:**

State Use Only:
6. Date Received by State: **7. State Application Identifier:**

8. APPLICANT INFORMATION:

*** a. Legal Name:**

*** b. Employer/Taxpayer Identification Number (EIN/TIN):** *** c. Organizational DUNS:**

4. Address:

*** Street:**
Street2:
*** City:**
County/Parish:
*** State:**
Province:
*** Country:** USA, UNITED STATES
*** Zip / Postal Code:**

9. Organizational Unit:
Department Name: **Division Name:**

1. Name and contact information of person to be contacted on matters involving this application:

Prefix: *** First Name:**
Middle Name:
*** Last Name:**
Suffix:
Title:
Organizational Affiliation:
*** Telephone Number:** **Fax Number:**
*** Email:**

SF-424A – Budget Information



BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0005
Expiration Date: 06/30/2014

- Page 1:
 - Break down budget by Federal vs. non-Federal
 - Separate Federal vs. non-Federal each year (each row for each year)
- Page 1A:
 - Breakdown object class categories by Federal vs. non-Federal
 - Breakdown object class categories per year (each column for each year) – Submit a separate SF-424A for non-federal share, if needed
- Page 2 (Non-Federal share, forecasted cash needs, budget estimates of federal funds needed for balance of project, and other budget information)
- Ensure consistent with #18 of SF-424, and with the budget narrative

SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | Total (g) |
|--|---|-----------------------------|-----------------|-----------------------|-----------------|-----------|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | |
| 1. | | \$ | \$ | \$ | \$ | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. Totals | | \$ | \$ | \$ | \$ | |

Standard Form 424A (Rev. 7-97)
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SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM FUNCTION OR ACTIVITY | | | | Total (5) |
|--|------------------------------------|-----|-----|-----|-----------|
| | (1) | (2) | (3) | (4) | |
| a. Personnel | \$ | \$ | \$ | \$ | \$ |
| b. Fringe Benefits | | | | | |
| c. Travel | | | | | |
| d. Equipment | | | | | |
| e. Supplies | | | | | |
| f. Contractual | | | | | |
| g. Construction | | | | | |
| h. Other | | | | | |
| i. Total Direct Charges (sum of 6a-6h) | | | | | \$ |
| j. Indirect Charges | | | | | \$ |
| k. TOTALS (sum of 6i and 6j) | \$ | \$ | \$ | \$ | \$ |
| 7. Program Income | \$ | \$ | \$ | \$ | \$ |

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Are Proposed Costs Allowable?



- See the Uniform Guidance, 2 CFR Part 200
 - New awards on or after 12/26/2014
 - Funding increments on or after 12/26/2014

- Uniform Guidance, 2 CFR Part 200 Contents
 - Subpart A—Acronyms and Definitions
 - Subpart B—General Provisions
 - Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards
 - Subpart D—Post Federal Award Requirements
 - Subpart E—Cost Principles
 - Subpart F—Audit Requirements

Budget Narrative: Personnel



— Personnel:

- Your staff (not contractors/vendors)
- Names, titles, salary, level of effort, amount charged for federal vs. non-federal (for vacant positions, include anticipated hire date)
- Provide justification and description of positions, and relate positions to program objectives
- Cannot exceed 100% on all active projects
- Building cost of living increases into the budget and justify reasonableness
- Be mindful of direct vs. indirect costs (i.e., administrative staff)

Budget Narrative: Fringe & Travel



— Fringe:

- Provide rate for each position
- If rate exceeds 35%, provide breakdown of what's included in the rate

— Travel:

- Provide detail (who is going, when are they going, for how long, where are they going (origin & destination), why are they going (explain how the travel directly relates to the project), how are they traveling
- Not sure? Base it on historical information.
- Domestic vs. foreign travel – Fly America Act
- Travel should be for your staff (travel for subawardees and contractors/vendors should fall under “other” or “contractual” respectively)

Budget Narrative: Equipment & Supplies



— Equipment:

- Equipment vs. supplies: Equipment – useful life of 1+ year and a per-unit acquisition cost of \$5k+
- Lease vs. purchase analysis
- Closeout – helpful to provide your equipment disposition requirements
- Equipment maintenance fee?
Equipment/Other.

— Supplies:

- List by supply item
- Provide quantity per unit
- Provide purpose/explanation for supply

Budget Narrative: Contractual & Other



— Contractual:

- Provide separate budgets for each contract or vendor
- Provide name of contractor/vendor, method of selection (provide justification if non-competitive), period of performance, scope of work, criteria for measuring accountability

— Other:

- Subawards – provide subaward budgets
- Include items not included in previous direct categories
- List by type with breakdown of cost, quantity, and necessity for project

Budget Narrative: Indirect Costs & Non-Federal Share



— Indirect costs:

- Provide most recent negotiated indirect cost rate agreement (NICRA)
- 10% de minimis rate of modified total direct costs (MTDC) for those who never had a NICRA
- Pass-through entities must honor subrecipient rate 
- MTDC excludes equipment, capital expenditures, charges for patient care, rental cost, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward and subcontract in excess of \$25k 

— Non-Federal share:

- Provide sources with adequate documentation
- Provide same level of detail as federal

Reminders



- Register for SAM.gov or update SAM.gov annually
- Sign up for Grants.gov updates
- Plan for internal review and submission
- Set internal deadlines and coordinate
- Proofread, Proofread, Proofread!

Contact Info



- Federal Program Office
- Grants Management Division
 - Freddie Isaac, Grants Specialist
 - fredrick.l.isaac@noaa.gov
 - (301) 628-1330
 - Debbie Chen, Branch Chief
 - Debbie.chen@noaa.gov
 - (301) 628-1313



Single Audits and Compliance

Tracy Jackson
Senior Grants
Management Specialist/Audits
NOAA

SINGLE AUDITS : COMPLIANCE

Tracy Jackson, Audit Specialist
GRANTS MANAGEMENT DIVISION

Purpose of Single Audits



- Safeguards Federal funds and protects against fraud, waste and abuse
- Promotes sound financial management and effective internal controls
- Provides federal agencies reliable and useful audits



What are Single Audits?



- Nonfederal entities (states, local governments, tribes, colleges and universities, and non-profit organizations) **are required** by the Single Audit Act of 1984, as amended in 1996, to have an annual audit of their federal awards.
- General overview of Single Audits:
 - Required when the entity has at least \$750,000 (previously \$500,000) in annual expenditures of federal funds
 - 2 CFR Part 200 (previously OMB Circular A-133), *Audits of States, Local Governments, and Non-Profit Organizations*, implements the law and provides the basic requirements that must be followed

Why do we review Single Audits?



The Federal awarding agency **must** perform the following:

- Ensure that audits are completed and reports are received in a timely manner.
- Follow-up on audit findings to ensure that the recipient takes appropriate and timely corrective action.
- Evaluate to determine need for initiation of Audit Resolution process for unresolved findings and questioned costs.



Where are Single Audits Submitted?



Here?

No Silly Here...



- Single audits must be electronically submitted to the Federal Audit Clearinghouse (FAC) within 9 months of the end of the recipient's fiscal year

Responsibilities of the FAC:

- Review and process Single Audit submissions in accordance with 2 C.F.R. 200
- Maintain an archive of single audit submissions
- Provide information about Single Audits to Federal agencies and the public

Audit Resolution | Into the Current



- Effective December 26, 2014, OIG will no longer download or review nonfederal audit reports.
- Bureaus are now responsible for reviewing and resolving any audit findings.
- Bureaus will now initiate the Audit Resolution Process



What Can Trigger an Audit?



Single Audit Oversight

Cost or Compliance Issues
No Single Audit to Clearinghouse



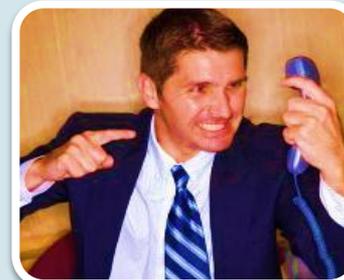
Grant Audit Task Force

Relative Program Risk
Recipient Characteristics
Fraud Indicators



Grant/Program Officer Referral

Questioned Cost Audit, Financial and Performance Report Issues
Site Visit or Monitoring Concerns



Hotline Complaints

Credible Complaint
Significant or Material Issues

Common Audit Findings



- Cash Management – Expenditures are not properly supported.
- Reporting – Reports are not filed in a timely manner; incomplete or missing reports.
- Segregation of Duties – Payments initiated and approved by the same individual.
- Sub-Recipient Monitoring – Lack of financial and performance monitoring.
- Unallowable Costs Activities – Cost not applicable to grant or during time frame.



Lessons Learned



Misappropriation of Federal Funds
Fraud :: Waste :: Abuse



Investigation Example: Two former Executives of a grant were convicted for intentional misappropriation of funds and money laundering for gambling expenses, payroll advances and the purchase of luxury items amounting to nearly half a million dollars.

Improper Payment



How to Avoid Audit Findings



- Prepare a thorough, fact based proposal
- Review and tune-up financial, administrative, and project management systems
- READ and UNDERSTAND before you sign
- Revisit award requirements frequently during the project
- If in doubt, ASK QUESTIONS and get answers and approval BEFORE acting
- Know your NOAA contacts
- DOCUMENT, DOCUMENT, DOCUMENT!



AUDITS AN ALL HANDS EFFORT



Helpful Sources and Websites



- **2 CFR Part 200– Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards -**
<https://www.federalregister.gov>
- **Department of Commerce Standard Terms and Conditions**
Section D. Audits
- **Department of Commerce Grants and Cooperative Agreements Manual**
Chapter 13, Audits
- **Federal Audit Clearinghouse –** <http://harvester.census.gov>
- **Grants Management Division, NOAA –** <http://www.ago.noaa.gov>
- **Office of the Inspector General, Department of Commerce -**
<http://www.oig.doc.gov>

A world map is formed by a dense arrangement of small, white text characters on a solid blue background. The characters are arranged to outline the continents and major landmasses, creating a stylized, digital representation of the globe. The text is small and uniform in size, contributing to a textured, mosaic-like appearance.

Wrap-Up

Summary



WHO WE ARE: MBDA is the only Federal Government agency solely dedicated to the growth and global competitiveness of minority business enterprise.

WHAT WE DO: Our initiatives, programs, and services provide greater access to capital, contracts, and markets for minority-owned businesses.

WHY WE DO IT: Minority-owned firms expand the U.S. economy, strengthen local communities, and support greater job creation.

GETTING READY



MONITOR [WWW.GRANTS.GOV](http://www.grants.gov) AND [WWW.MBDA.GOV](http://www.mbda.gov) FOR UPDATED NOTICES

By participating in today's event you will be automatically placed on a communication list and a broadcast will be going out on the day of the competition.

RESEARCH MBDA, ITS MISSIONS, PROGRAMS, AND PERFORMANCE

Our annual performance report can be found on www.mbda.gov. You can also refer to www.federalregister.gov for prior program competitions. These resources can help you determine if you could be a strategic partner of MBDA.

PLEASE KEEP IN MIND

The minimum competition period is 60 days.

Important Reminders



- Details of the competition will be issued at the time of the Federal Funding Announcement
- Notice of competition will be available through:
 - www.grants.gov : please see CFDA 11.805 MBDA Business Center Program
 - www.mbda.gov
- A pre-application conference will be scheduled during the competition period. Information will be posted in the competition announcement.
- Get a head start by registering on the System for Award Management at www.sam.gov.

Public Meeting Close



Minority Business Development Agency
www.mbda.gov

1401 Constitution Avenue, NW ■ Washington, DC 20230