

## Frequently Asked Questions

### GENERAL

#### **1. Please provide the necessary information regarding grant funding to start up a business.**

The MBDA Business Center (MBC) program is not a grant program to start or expand an individual business. Applications must be to operate a MBC and to provide business consulting services to eligible minority-owned firms as set for the in the Federal Funding Opportunity (FFO).

### BUDGET PREPARATION

#### **1. With regard to the 5-year submission, must each application include 5 separate budget proposals with 5 separate budget narratives?**

Yes. An applicant must submit complete budget proposals for each program year for each application submitted. All figures should be rounded to the nearest dollar. A complete budget proposal includes the following elements:

- (a) five sets of Standard Form 424A, one for each 12-month funding period;
- (b) five detailed line item budgets, one for each 12-month funding period;
- (c) five budget narratives, one for each 12-month funding period; and
- (d) scanned original letters of commitment from third party in-kind contributors.

#### **2. Do I need to submit multiple sets of Standard Form 424?**

No. The Standard Form 424 is submitted only once. This document is an application for federal funding assistance. The document requests applicant background information and an overall budget for the entire five year duration of the program.

#### **3. Can the federal funding share be adjusted?**

The federal contribution to the project budget is non-negotiable. The amount of federal funds designated for the award must not be exceeded in the proposed budget.

#### **4. Is there a minimum non-federal cost share requirement?**

No. There is no predefined minimum or maximum amount of required non-federal cost sharing under the MBC program. However, MBC operators are required to generate program income and it is mandatory that all program income be applied directly to the award's non-federal cost share and used in furtherance of program objectives. Note also that for each funding period a MBC operator generally will be required to contribute cash of some other form of acceptable non-federal cost share to compensate for any shortfall in budgeted program income.

**5. Can the non-federal share vary from year to year?**

Yes. An applicant may submit different amounts of non-federal share for each program year.

**6. What is program income?**

Program income is the gross income earned by the recipient from federally supported MBC program activities and specifically includes client fees, membership fees, success fees and other income generated by the MBC.

**7. Is program income different than non-federal cost share?**

Non-federal cost share is the portion of the total allowable project costs not borne by the federal government. Non-federal cost share may be comprised of program income but would also include cash donations from the operator or any non-federal third party and the value of in-kind (non-cash) contributions from either the operator or any non-federal third party

**8. Is travel mandatory under the MBDA Business Center program?**

Yes. The program does require mandatory training, which includes travel. Applicants must budget for and adhere to the training and travel schedule set forth in Appendix E – MBC Training Requirements of the FFO

**9. It appears that the MBC program does not provide a client fee structure based on clients' gross revenues or otherwise. Is it left to the applicant to determine what type of clientele they expect to serve and how they would bill these clients?**

Yes. MBE operators are required to generate “program income” through the collection of client fees, membership fees, success fees and/or other fee structures proposed by the applicant. Each application must include a proposed fee structure and all proposed fee structures must be acceptable to MBDA and approved by the Grants Officer.

**REQUIRED PERFORMANCE**

**1. Are performance goals mandatory under the MBDA Business Center program?**

Yes. Performance goals are required for each center.

**2. Can my organization propose different performance goals from what is outlined in the FFO?**

Yes. An application may propose goals that differ, either higher or lower, from the estimated “total value of award transaction goals” listed and as noted “to be proposed by applicant” in Appendix B – Estimated Performance Goals by Center of the FFO. Please note that proposed deviations, either above or below, from the listed amounts require justification.

### **3. Do I need to propose performance goals for all program years?**

Yes. Each application must include a performance plan for each program year. In addition, the application must also include a quarterly breakdown of the performance goals for each program year.

### **4. Will new methods for performance documentation and verification be instituted under this program? Will the existing MBDA Summary of Program Standards be revised?**

Performance measures and related definitions are outlined under Appendix C of the FFO. In addition, MBDA has a Program Standards Handbook that provides additional program definitions and operating procedures. The MBC program will operate from a newly revised Handbook that will be released at the onset of the award. The Handbook will be incorporated by reference into each MBC award and will be applicable to each operator.

### **5. Our intention is to target the development of critical suppliers within state industries. Is this area of focus responsive and in alignment with the intention of the solicitation?**

An application must be to operate a MBDA Business Center and to provide business consulting services to eligible minority business enterprises as set forth in the FFO. The MBC program is designed to assist minority-owned business enterprises in accessing federal and non-federal contracting and financing opportunities (domestically and globally) that result in demonstrable client outcomes and job creation/retention. The extent to which an application demonstrates the applicant's ability to achieve MBC program objectives, whether through a singular targeted approach or by a more varied approach, shall be determined by a merit panel review.

### **6. Can you define "eligible" minority businesses? Does this mean "certified" or registered in CCR or other designation?**

Eligible minority-owned businesses are defined in FFO as business concerns that are owned or controlled by the following persons or groups of persons: African Americans, Hispanic Americans, Asian and Pacific Islander Americans, Native Americans (including Alaska Natives, Alaska Native Corporations and Tribal entities), Asian Indian Americans, and Hasidic Jewish Americans.

## **FUNDING AND LOCATION**

### **1. The FFO appears to omit locations that have been funded in prior MBDA program years, is this correct?**

The MBDA Business Center (MBC) program is a new program altogether. Each proposed center is strategically located in areas with significant levels of minority population and minority firms. Only those areas that have been identified in the FFO are eligible for funding under the MBC program. Other locations will not be considered.

**2. Can the proposed MBC office location be in Metro Statistical Area vs. the identified city?**

The center must be physically located in the designated city, unless otherwise noted in the FFO.

**3. Is my organization barred from applying for this MBC opportunity if my current location is not one of the designated locations? Can we apply under another city that is within a four hour travel distance?**

Eligible applicants may apply for any or all designated locations. The applicant's current location does not matter so long as it proposes to physically establish the MBC office in a location designated in the FFO.

**4. The solicitation states the MBC must be accessible to disabled. Does this mean that the MBC location must be ADA compliant?**

Yes.

**5. Is there a new Catalog of Federal Domestic Assistance (CFDA) number for this competition?**

Yes. The MBDA Business Center program has been assigned new number, 11.805.

**6. What is the difference between this new program and MBDA's Minority Business Enterprise Center and Minority Business Opportunity Center programs?**

The MBC differs from other MBDA funded centers in terms of program objectives, target clients, major program services, strategic partners, performance elements, goals, funding levels, funding locations, and program branding.

**7. What are the plans for the current MBDA programs?**

MBDA programs operate on multi-year program cycles. The Minority Business Enterprise Center and Minority Business Opportunity Center program cycle will continue through March 31, 2011. The Native American Business Enterprise Center is not impacted and will continue to operate.

**8. Are there competitive advantages for current MBDA award recipients under this solicitation?**

No. This is a full and open competition; new applicants and incumbents have equal opportunity to win an award. No preference will be given to current MBDA award recipients.

**9. Under Appendix A "Anticipated Funding Availability by Center Location" on page 36, the chart lists federal funding for years 1-5. Are those funding levels anticipated for each year or for the total 5 year period?**

The amounts shown in Appendix A, “Anticipated Funding Availability by Center Location,” on page 36 of FFO are for each year of operation for the respective MBDA Business Center. It is anticipated that the amounts indicated for the center locations will be available for each of the five years of the total award period.

### **STRATEGIC PARTNERS**

**1. Is it allowable for strategic partners also to be third party in-kind contributors to the award?**

Yes. Strategic partners can also be in-kind contributors.

**2. Will Centers receive credit hours for client assistance that is provided by the strategic partners?**

Yes. A Center will be credited for hours of client assistance that is provided by a strategic partner so long as it complies with MBC program reporting and documentation requirements.

**3. Can an applicant propose more than 5 strategic partners?**

Yes. Additional partnerships may assist the center in reaching its goals. However, no additional benefit is gained during the evaluation process for proposing more than five strategic partners. The quality of the strategic partnership relationships is more important than quantity of partners.

### **REPORTING REQUIREMENTS AND PERFORMANCE DATABASE**

**1. How often is reporting required under the program?**

Performance reporting will be required twice in each funding period. The initial report is required after six months of performance and a final report is required after twelve months of performance. However, the MBC will also be required to report client activities and outcomes within seventy-two (72) hours of the provision of services and notifications, and MBDA will use this data to monitor ongoing accomplishments during the funding period.

### **PROJECT DIRECTOR REQUIREMENTS**

**1. Does my organization need to submit a candidate for project director during the application process?**

No. Although an applicant may submit a proposed project director, it is not required. At a minimum, the applicant must submit a position description, qualification requirements, education requirements and salary range. If a specific individual is identified for a position, a copy of the individual’s resume, three professional references and a letter of commitment must be submitted.

**2. Is the project director required to work 100 percent of their time for the center?**

The project director is vital to the MBC. The MBC is required to have a project director employed and dedicated on a full-time basis to the MBC project. The project director must be removed from any competing professional interests or demands.

**ON LINE AND HARD COPY APPLICATION**

**1. Can I submit a paper application?**

No. MBDA will only accept on-line applications that are submitted through [www.grants.gov](http://www.grants.gov).

**2. Is there a page limitation for the application?**

No. However, only relevant information and documentation will be considered during the evaluation process.

**3. Must all pages be numbered sequentially?**

Yes. All pages (including table of contents, proposal narrative, budgets, budget narratives and attachments) must be numbered in a sequential format.

**5. On the SF-424, does question number 16 mean that the application is subject to review under Executive Order 12372?**

No. As stated in the Federal Register Notice, applications under these programs are not subject to Intergovernmental Review.

**6. When filing an application on-line, does one submit support letters? Should we scan them or are they included in the hard copies only?**

All applications and application components must be submitted electronically through Grants.gov. Hard copies will not be accepted. When filing an application on-line, letters of support must be submitted as scanned versions of the signed originals and received in MBDA by the application deadline. Other documents such as letters of incorporation must also be scanned and included in the proposal.

**REQUIRED DOCUMENTATION**

**1. To whom should the letters of support be addressed and how should they be submitted?**

The letters of support may be addressed to the applicant or MBDA, scanned and included as attachments in the proposal.

**2. What kind of documentation is required for third-party in-kind contributions?**

An original letter dated, signed by the contributor, and setting forth the specific valuation of any proposed third party in-kind contribution must be scanned and submitted as an

attachment the application. Failure to submit documentation of third-party in-kind contributions will nullify related amounts in the proposed budget. Recipients must also comply with the documentation requirements for cost share and third-party contributions of the applicable Uniform Administrative Requirements for Grants and Agreements and OMB Cost Principles.

**3. Can Community Development Block Grants funded programs be used to meet the match requirement for the BDC proposal?**

If CDBG funds are proposed as cost share, a certification from the Department of Housing and Urban Development stating that the proposed CDBG funds legally can be used as matching funds under other Federal grant awards must be submitted with the application .

**COST-SHARE REQUIREMENTS**

**1. Is the percent of cost-share based on the total Federal dollar amount or on the total project cost?**

The percent of cost-share contributed is based on the total project cost.

**2. What is considered non-cash recipient contributions?**

A non-cash recipient contribution is the dollar value of services, supplies, or property donated by the recipient that are provided for in the approved award budget, conform to the applicable Uniform Administrative Requirements, and are established in accordance with the applicable cost principles.

**3. Can a recipient claim the amount of any unrecoverable indirect costs that is greater than the 30% indirect cap as non-federal cost-share?**

No, recipients cannot apply any indirect costs that exceed the cap towards non-federal cost-share.