



## 2020 Office of Small Business Development Centers CARES Act Funding Opportunity Announcement FAQs

### FUNDING OPPORTUNITY – CORRECTIONS & CLARIFICATIONS

1. The Funding Opportunity Announcement (FOA) - Cover Page – says to submit advance payments to the following email: [covidpayments@sba.gov](mailto:covidpayments@sba.gov) and the proposal submission to the following email address: [SBDCGrantsq@sba.gov](mailto:SBDCGrantsq@sba.gov).

**Correction:** Please provide the Advance Payment request and a Certification Statement to [covidpayments@sba.gov](mailto:covidpayments@sba.gov) and with your proposal package to: [SBDCGrantsq@sba.gov](mailto:SBDCGrantsq@sba.gov).

2. The Funding Opportunity Announcement (FOA) - page 7 - describes eight reporting cycles.

**Correction:** There are a total of six the full 12-month base year and six-month no-cost extension running through September 30, 2021, there will be six performance and financial quarterly reports due. (One will be due after the end of each three-month period.)

3. The Funding Opportunity Announcement (FOA) - page 8 - provides an email address for payment requests and other reporting to COVIDPayments@sba.gov.

**Correction:** Complete reports will need to be submitted to OSBDC or the reporting packages will be returned to the Lead Center Director or designee. OSBDC will provide further information for reporting for the CARES Act award.

### APPLICATION – FORMS & BUDGET

4. **Question:** For the CARES Act application, the SF-270 - Request for Advance or Reimbursement and SF-425 – Federal Financial Report (FFR) filing - what number does the SBDC Network use as the "Federal Award Identifier"?

**Response:** On the SF-270, the SBDC needs an award number that is issued by OSBDC to receive an award. This system-generated award number should be provided by April 24, 2020. The SBDC must also provide a Certification Statement along with the SF-270. The SBA assigned Grant/Cooperative Agreement Number found in Block 2 of the Notice of Award will also be used as the Federal Award Identifier on the SF-425. An SF-425 is not required with the application but will be required for reporting purposes.

5. **Question:** What is the best way to complete page 3 of the SF-424A – Budget Information – Non-construction forms? If the SBDC Network has divided the total allocation over six quarters, is that the correct approach?



**Response:** No. The budget and period of performance is for one year followed by a six month no-cost-extension (NCE) period. The NCE request can be an email to OSBDC requesting an award modification for the CARES Act award funding. Prepare the budget for one year and show the allocation over four quarters on page 3 of the SF-424A.

6. **Question:** Is the Cost Price Analysis (CPA) Worksheet required?

**Response:** Yes. OSBDC requires a completed Cost Price Analysis Worksheet (CPA).

7. **Question:** Is the Network required to submit one Network budget and not individual service center budgets with the proposal?

**Response:** In the initial application for CARES Act funding OSBDC is ONLY requiring one Network budget. Additional budgets for Service Centers that will be receiving funds via the CARES Act award must also provide the Cost Price Analysis Worksheet within the first three months of the CARES Act Award. Please provide the Service Center budgets no later than June 30, 2020 to OSBDC.

This is especially important for Networks requesting the allowable 15% indirect cost under the CARES Act award. OSBDC must compare the fringe rate in the CARES Act to the fringe rate in their core award to ensure it is correct.

8. **Question:** If there is one budget period, why are their two reporting cycles?

**Response:** The base period of performance is April 1, 2020 to March 31, 2021. ***This period of performance should be entered into Box 17 of the SF-424.*** There is only one budget period. However, there is a 12-month base period of performance and a six month no cost extension (NCE) ending on September 30, 2021. An email request to your respective Program Manager (PM) and Grants Management Specialist (GMS) is required to receive an NCE to complete the project activities.

If the SBDC requests an NCE, the SBDC is NOT required to submit a new budget. However, if budget revisions do NOT exceed 10 percent of the total Network budget, a change in project scope is not required or there is no increase to indirect costs, then there is no required action from the SBA OSBDC.

9. **Question:** Referencing the Financial Justification section in the FOA, the FOA asks for the SF424 and SF424A, the Cost Price Analysis Workbook and a brief budget narrative. What is required for the brief budget narrative?



**Response:** The brief budget narrative is an outline of services provided via the CARES Act funding. Additional detail may be provided in the Cost Price Analysis (CPA) Worksheet response along with the SF424 and SF424A.

10. **Question:** Is there any guidance on requirements on how to split operations and administration expenses between the core award and CARES Act grant funds?

**Response:** Yes. This is covered by 2 CFR 200.405(d): “Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.”

Under this provision, if an SBDC can reasonably determine how much both the core SBDC and CARES Act grants benefit from a shared item of cost like software (for example, if 70% of their use of the software is related to the core SBDC award and 30% of its use relates to the CARES Act grant) then it should allocate the cost of the software between the two awards. (Reference: Part II, Section B of the 2020 CARES Act Notice of Award Terms and Conditions.)

11. **Question:** Can the SBDC Network pass through funding to SBDC regional offices or service centers? Can the SBDC treat them as “sub-contractors” as they would be supporting the Lead Center within their regions versus providing a subrecipient award?

**Response:** This is a standard award. Consistent with the core award, the SBDC is not allowed to act as a pass-through entity for funds provided via the CARES Act.

Recipient organizations will continue to fund their service centers and subrecipient organizations consistent with how they currently fund these organizations through their core award. The SBDC Network may also deploy CARE Act funds to fund new contracted personnel and contracted services. As such, the administrative burden at the Lead Center does not justify the \$25,000 inclusion in the indirect cost rate calculation, other than for new, openly competed and awarded contracts that are not currently a part of the SBDC Network. See also Terms and Conditions, Part II. Subpart B, #16.

12. **Question:** As allowed in the FOA, the SBDC has conducted a lot of activity described in the CARES Act. Are the efforts from March 9, 2020 to be included in the overall planning effort; and, how do we report that effort? Also, how do we report the SBDC’s effort related to CARES Act funded activities prior to March 9, 2020?

**Response:** SBDCs may charge CARES Act program related advance expenses and pre-award costs incurred since February 15, 2020 to this grant. Planning efforts to develop and deliver programs related to disaster recovery can be allocated to the pre-award costs. Additionally, project metrics can be captured from March 9, 2020.



13. **Question:** The short-term goals timeline is April 1, 2020 to September 30, 2020, but the SBDC current core calendar year contract goes through December 30, 2020. Can the SBDC Network conduct and report short-term goals through the calendar year cycle?

**Response:** No. The SBDC's goals for each funded program must be tracked separately. The SBDC Network is required to report on the timetable provided in the Terms and Conditions in the core Award; the Network may not adjust this to any other funding cycle. There is ample funding in the CARES Act to accomplish administrative tasks. OSBDC extended the reporting timeline for the CARES Act project at the request of the ASBDC Board leadership.

14. **Question:** How do we account for time spent training new employees hired with CARES Act funds?

**Response:** It is part of the SBDCs responsibilities to ensure that new staff is prepared to serve the small business community. Given the interrelated aspects of this necessary function, SBDCs are permitted to use reasonable judgement in how they allocate time and resources.

15. **Question:** What is required by hosts to justify Indirect Cost (IDC) charged to the CARES Act funds?

**Response:** Identify facilities and administrative costs that will result from the implementation of this project.

16. **Question:** How does the SBDC count clients who are served by business advisors funded both core award and by CARES Act funding?

**Response:** The SBDC Network should allocate time and effort of employees and consultants to each funding source by utilizing best professional judgement.

17. **Question:** The SBDC Network is including a number of independent contractors for advising and a marketing contractor. The SBDC also intends to hire a project manager for this project. This will be a contractor not an employee. However, some staff have time and effort allocated to the core award and will also be involved at some level of effort in managing the CARES Act funded project activities. This includes, but is not limited to, producing quarterly SBA financial reports, handling IT services, managing purchasing and contractor activity, managing human resource related efforts such as posting/advertising positions and processing and managing reporting. Are some portions of those individual's salaries allowable as costs on the CARES Act funding since these types of activities will be handled in part by current SBDC staff?

**Response:** Yes, however, the SBDC Network will also need to provide revised key personnel information from the core award noting the reduction in time and effort that the Network is funding via the CARES Act award. The SBDCs should utilize professional judgment to ensure time and effort is reasonably applied to funds across both awards.

18. **Question:** Are portions of rent costs associated with the CARES Act funded project allowable from CARES Act funds for SBDC space?



**Response:** Yes, rent is an allowable expense. The SBDCs should utilize professional judgment to allocate what is reasonably applied to funds across both awards.

19. **Question:** In section five of the FOA - Risk Assessment - seems to be related to the SBA assessing the SBDCs as applicants for CARES Act funding. Does it require a response?

**Response:** Correct, no response from the SBDC is needed unless there has been a change in the financial solvency of the host institution.

### PROGRAM RELATED GOALS & EDMIS ISSUES

20. **Question:** How do we capture short term goals?

**Response:** To capture the new short-term goals, SBA will insert additional selections to the fields that already exist in EDMIS including the items listed below:

**Goal 1: Disaster Capital Access:**

- a. **Number (#)** of small businesses that receive Disaster Capital Access assistance from the SBDC (this includes disaster-loan information, EIDL, PPP, state/local COVID-19 loans or grants and other loan applications, etc.).
- b. **Number (#)** of EIDL, PPP, state/local COVID-19 loans and other disaster-assistance loans made with the SBDC assistance.

**Goal 2: Small Businesses and Individuals Served:**

- c. **Number (#)** of small businesses, including sole proprietors, and all individuals that receive training and assistance from SBDC (This can include webinars, remote training, etc.).
- d. **Number (#)** of training and assistance events provided by the SBDC.

**Goal 3: Consulting Hours:**

- e. **Number (#)** of small businesses, sole proprietors and individuals that receive counseling/consulting from the SBDC. These activities include answering questions, emails, research, preparation, etc. consistent with the core award. The SBDC will receive credit for all of these efforts and activities.
- f. **Cumulative (total)** hours of counseling/consulting hours provided to small businesses, sole proprietors and individuals.

21. **Question:** How do the SBDC Networks capture overlap in goal attainment?

**Response:** Since there is a great deal of overlap in the work and small-business assistance provided by the SBDCs in the three short-term goals listed above, the SBDC Network **may** receive credit for more than one category. For example, if a small business calls for capital-



access assistance and also receives counseling, the SBDC may receive credit under categories “a,” “e” and “f” listed above.

If the small business receives a loan, then they will also receive credit for “b” listed above. Counting multiple metrics also applies to training, etc. The intent of these short-term goals is to show the full depth and breadth of the assistance provided during the COVID-19 crisis. If the small business receives more than one service, the SBDC will receive credit for their assistance in all applicable new short-term categories in EDMIS.

22. **Question:** How do the SBDC Networks count Unique Clients Served?

**Response:** For clients completing an SBA 641 form, the clients will be marked as Unique Clients Served (UCS) in the traditional column in EDMIS. If the support is directly tied to COVID-19 disaster assistance, then the SBDC Network will still receive credit for the short-term goals as well.

23. **Question:** How do the SBDC Networks count Jobs Supported?

**Response:** If the SBDC has provided assistance towards the Job Supported goal then that number will be captured in the traditional column in EDMIS. If the support is directly tied to COVID-19 disaster assistance, then the SBDC Network will also receive credit for the applicable short-term goals as well.

24. **Question:** How do the SBDC Networks capture the full amount and scope of assistance the Networks are providing to small businesses, sole proprietors and individuals – including activities such as one-question emails or phone calls?

**Response:** To capture goals, assistance-provided, clients, counseling, etc., the SBDCs are responsible for creating a tool where the Networks and service centers can document their internal assistance efforts prior to adding these metrics to Center IC, Neoserra, or their data management system etc. and eventually into EDMIS. This tool can be as simple as a spreadsheet.

25. **Question:** How will the SBDC account for activities provided to clients who are not completing the SBA Form 641?

**Response:** The activity provided to the client will be captured via the SBA Form 888. SBDCs will report counseling, training, preparation, research and engagement for those clients not completing an SBA Form 641 via an SBA Form 888 by grouping those small businesses, sole proprietors and individuals each quarter to capture the total number counseled, as well as the number of total counseling hours. The Event Name should start with “**COVID-19 Counseling**” so SBA is able to identify these as small businesses, sole proprietors and individuals that receive assistance via the CARES Act.





Since much of the activity by the SBDCs encompasses training, answering phone calls, replying to emails, explaining processes, guiding small businesses through the disaster-loan processes, etc., the SBDCs may capture this information in a spreadsheet or other internal tracking tool, and submit this quarterly production with a blanket SBA Form 888.

SBDCs should offer the SBA Form 641, but in cases where this is not possible or where the small business is not interested in completing a SBA Form 641, the SBA Form 888 with the accompanying number of clients served, trained, counseled, advised, etc. will suffice for receiving credit towards the three short-term goals.

26. **Question:** Are Networks required to provide services in ALL of the areas described in Section III - Performance Objectives in the FOA? For example, does every SBDC Network have to offer services on protecting intellectual property?

**Response:** Yes, but OSBDC and SBA will assist in these efforts. Activity generated from the Intellectual Property Working Group will provide the basis for this training. The U.S. Patent and Trademark Office (USPTO) will also be a part of this effort. SMEs from USPTO have already produced a comprehensive presentation for the SBDC State Directors. USPTO also has a suite of online courses that SBA and ASBDC will link to for the benefit and use by the SBDCs. USPTO has also offered to provide webinar training to the SBDCs. All of these resources will come together once we move to a more normal working environment. Along with the SBDC Cybersecurity Working Group, the AA/SBDC will also seek out additional members for this working group. OSBDC already has some volunteers and will pursue other potential members in earnest hopefully later this spring.

27. **Question:** How do we count client services provided via core award funding versus client services funded by CARES Act?

**Response:** We do want to make a categorical distinction between traditional services and services provided via CARES Act funding. Clients may be receiving multiple services. There is an allowance for some overlap of goal attainment. If the unique client is receiving assistance for training but completed a 641, they should be counted as a Unique Client Served (UCS).

For example, the Network should also get credit if they help a client retain a job and count it as a Jobs Supported (JS) and/or Unique Clients Served. But, if it meets a short-term goal related to counseling hours or getting PPP or EIDL assistance, the SBDC should receive credit for both. It is essential that the SBDC Network is able to capture the cumulative effect of the services the SBDC is able to provide to the client. Ultimately, client services may be credited to several different categories.

28. **Question:** The SBA FOA describes goals for each of the efforts and activities to be tracked. The FOA is asking for goals in the Performance Objective/Performance Metric/Short-term Goals and Long-term Goals of Section III. Please provide clarity on these goals.



**Response:** The short-term goals were designed specifically to measure effort and activities. The flexibility provided by OSBDC to capture multiple metrics among the same clients is designed to ensure the full depth and breadth of the activities are captured in the reporting of the numbers.

The long-term goals are more reflective of the Agency's traditional goals so the effort and activities can eventually transition to more traditional long-term goaling metrics. This is why it is imperative that the SBDCs fully capture activities and effort for each of the objectives.

29. **Question:** Should the goals be based on our total program (core and CARES Act funds) or just on the resources tracked to CARES Act?

**Response:** The SBDC's goals for the core award project and the CARES Act project should be tracked separately. SBDCs must attempt to capture all goaled activities, to include both traditional and CARES Act goals. There is an understanding there will be a significant reduction in goal attainment in the shorter term. Goal attainment going forward will provide data on the impact of activities funded via the CARES Act. We expect variations in goal attainment will be regional in nature and that data provided will document patterns of economic activity and eventual recovery.

30. **Question:** Routinely, we track SBA guaranteed loans as self-reported by clients? For clarity, will total SBA guaranteed and disaster loans (number of loans issued and dollar value of loans issued) meet reporting expectations? If not, what are the minimum reporting standards by loan type (e.g. PPP loans, EIDL loans, 7a, 504 and other loans)?

**Response:** SBA will continue to track Capital Infusion (CI). SBA will track disaster loans although specific goals are not assigned for each category of goals (e.g. disaster loans versus non-disaster loans).

31. **Question:** Will SBDC core spending on core "goal attainment" activity paid for under the SBDC 2020 cooperative agreement core award continue to be tracked through the end of the current contract? Do the SBDC Networks continue to track all the goals, or only the CARES Act goals, the Short & Long-term goals aligned with the FOA proposal?

**Response:** Yes. The SBDC must track its core SBDC activities separately from its CARES Act activities. Additionally, the SBDC must track all goals and expenses separately and apply time and effort to the appropriate funding source.

32. **Question:** As new businesses start - either from people who no longer have a job to those who capture an opportunity in the new economy - should we count these as CARES Act clients? Or, would they be considered more traditional clients served under the core award cooperative agreement?

**Response:** A distinction should be made between a CARES Act client and the traditional SBDC client. If a new business is started because of a job loss resulting from the COVID-19 crisis, then that business/client would be applicable to the CARES Act funded project. If a new





business is started because of opportunities resulting from the COVID-19 crisis and did not result from a job loss because of the COVID-19 crisis, that business start/client would be a counted as a traditional SBDC client. The SBDCs should utilize professional judgment to reasonably allocate funds provided via the core award or the CARES Act.

33. **Question:** Can the SBDC Networks record and report assistance to non-profit organizations?

**Response:** The guidance from SBA from April 1, 2020 addressed this concern with very specific direction for providing services under the EIDL program. It read, “Given that certain nonprofits are eligible for SBA Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) an SBDC may assist a qualified nonprofit, which now includes faith-based organizations, with navigating the disaster loan portal and application process and services.” Providing assistance to eligible non-profits will count towards an SBDC Networks performance goals.