

SSBCI Technical Assistance Grant Program

FAQ Document

Last Updated: 6/8/23

Program Overview

Q: The SSBCI 2.0 TA Grant Program will pay Technical Assistance (TA) Providers for the work they are doing for small businesses in Michigan that fit the criteria? (5/24/23)

A: Yes. The SSBCI 2.0 TA Grant Program will pay Technical Assistance Providers to provide financial, legal and accounting services to businesses that are seeking to secure SSBCI or other federally backed sources of capital and meet that meet other eligibility requirements.

Q: This program seems very similar to the MBDA Federal Grant – correct? (5/24/23)

A: Yes. The Minority Business Development Agency's Capital Readiness Program is Federally financed through the same SSBCI 2.0 program funding sources as the MEDC's program.

Q: Can you clarify if the total amount being awarded is \$5.2M across the state? Or will there be additional funding made available? (5/24/23)

A: In alignment with Michigan's SSBCI TA allocation, up to \$5,290,360 will be disbursed through this program across the state.

Applicant Eligibility

Q: If our organization applied for the MBDA federal grant, can we also apply to this opportunity? (5/24/23)

A: Yes. Organizations that applied for the Minority Business Development Agency's Capital Readiness Program are eligible to apply for the MEDC's SSBCI 2.0 Technical Assistance Grant Program.

Q: Can a business that offers incubators and accelerators for SEDI qualify if they have on staff A.) an accountant and b.) a lawyer specifically for these services? (5/24/23)

A: Eligible applicants will need to meet program eligibility requirements and the SSBCI Technical Assistance federal definition of a legal, accounting, or financial advisory firm. If your entity meets program eligibility requirements but does not meet the federal definition of a legal, accounting, or financial advisory firm, you may apply to the program but you would have to contract with legal, accounting, or financial advisory firm(s) who meet the federal requirements to deliver services.

Q: If an organization provides micro lending now through a business development program, but is not a Community Development Financial Institution (CDFI), can this still count towards the qualifications? (5/24/23)

A: An eligible applicant must meet program eligibility requirements and meet the SSBCI Technical Assistance federal definition of a legal, accounting, or financial advisory firm.

If this question is pertaining to meeting the requirement that an eligible beneficiary must be applying for, preparing to apply for, or have previously applied for a SSBCI capital program or other federal or other jurisdiction small business program and that the organizations desires to utilize their microlending program to as a form of eligible capital, it may be possible depending on the source of funds of the microlending program.

Q: If the TA provider is subcontracting work, e.g., accounting work, must that sub-contractor be a Michigan-based business? (5/24/23)

A: Sub-Contractors must be headquartered in Michigan.

Q: I represent an entity that meets program eligibility requirements, but I do not meet the SSBCI TA federal definition of a legal, accounting, or financial advisory firm (such as an economic development organization “EDO” or business support organization “BSO”), can I apply? (Also asked: If you are not a current legal, financial services, or accounting provider, you are not eligible to be a collaborator?) (5/24/23)

A: Yes. Entities that otherwise meet program eligibility requirements may apply to deploy TA services so long as they contract with legal, accounting, or financial advisory firm(s) who meet the federal requirements to deliver services.

Q: We are not a direct TA Provider organization. But have TA partners. Could we still apply for the grant? (5/24/23)

A: Yes. Entities that otherwise meet program eligibility requirements may apply to deploy TA services so long as they contract with legal, accounting, or financial advisory firm(s) who meet the federal requirements to deliver services.

Q: We are a CDFI that works exclusively with entrepreneurs of color - would this be too restrictive for this program? (5/24/23)

A: No. Per US Treasury guidelines, this TA program must serve SEDI-owned (socially and/or economically disadvantaged individuals) and VSB (very small businesses). The definition of SEDI-owned is noted in the Glossary section of the SSBCI TA application guide on the SSBCI TA page:

<https://www.michiganbusiness.org/services/ssbci-technical-assistance-grant-program/>

Q: To clarify, this is a grant, not a contract. We're a for-profit company. Are we still eligible? (5/24/23)

A: For-profit entities that meet program eligibility requirements are eligible for this funding opportunity.

Q: Are new entities eligible? (5/24/23)

A: New technical assistance providers are eligible so long as they meet the program eligibility requirements. Please note that the SSBCI TA application will ask applicants to demonstrate a history of how their organization and/or management team has provided technical assistance to the target audience for the program/service they are proposing previously.

Q: Can you speak in more detail about the need for the TA provider to be a legal, accounting or financial advisory organization? (5/24/23)

A: UST provided guidance in their FAQ document pertaining to determining if an entity is a legal, accounting, or financial advisory firm. Services must be delivered by entities who meet the SSBCI TA federal definition.

The determination of whether an entity is a legal, accounting, or financial advisory firm, depends on the extent to which the entity provides legal, accounting, or financial advisory services as described in

Section IV of the UST TA Grant Program Guidelines. In particular, entities must meet at least one of the following criteria:

- A primary purpose of the entity or a central part of the entity's mission is to provide legal, accounting, and/or financial advisory services,
- The entity regularly markets or publicizes itself as providing legal, accounting, and/or financial advisory services, or
- At least 25% of the entity's revenue or staff are dedicated to providing legal, accounting, and/or financial advisory services. These entities may be either non-profit or for-profit entities, as specified in Section III.c of the UST TA Grant Program Guidelines.

Application Process

Q: Is there an estimated time required to complete the application? (5/24/23)

A: The application is anticipated to take 2 hours to complete. Please note – collecting supplemental material that is requested as part of the application (data, budget information, etc.) may require additional time outside of this period.

Q: What sort of proofs will you allow to show direct collaborations with CDFI's to be eligible for the grant? (5/24/23)

A: Collaboration with CDFI's could range from a business referral partnership to a formalized contract for financial, legal, and or accounting services, and more. Applicants will demonstrate collaboration with CDFI's within their application.

Program Design

Q: For the post-close TA, the length of the loan would extend beyond the grant period. May funds be held through multiple years to support the clients for 5 years? (5/24/23)

A: Selected TA Providers must render services to eligible businesses within three years of signing their executed grant agreement.

Q: I am unclear as to the requirement that the SEDI or VSB businesses that the TA provider is working with need to have previously applied for SSBCI or other federal funds in the past year? What if we are working with a successful business that seeks to covert to worker ownership that has not needed to previously apply for such funds. Is that a disqualification? (5/24/23)

A: Businesses receiving TA services funded through this program must be applying for, preparing to apply for, or have applied for a SSBCI capital program or other federal/jurisdiction small business program(s). If a small business client seeks to convert to worker ownership and they desire to finance the transition utilizing and SSBCI capital or other eligible program, they would qualify for service.

Q: Would virtual meetings be acceptable for 1:1 services? (5/24/23)

A: Yes, virtual meetings and appointments are acceptable forms of 1:1 technical assistance.

Q: How do we determine the number of targeted businesses we should aim to serve? (5/24/23)

A: The MEDC will rely on the local technical assistance provider's expertise when deciding the number of businesses that it desires to serve based on the programming they have capacity to administer.

Q: When small business borrowers are seeking capital through federal loan programs, like SBA, is there a loan range or limit in place? Also, does the loan application need to be successful? (5/24/23)

A: There is no loan range or limit associated with a business owner who is seeking capital as part of the requirements for the SSBCI 2.0 TA grant program. As long as a business is intending to seek, is currently seeking, or has sought federal capital – they are eligible (regardless of the dollar amount). The loan does not need to be successful in order for a business to receive technical assistance funding.

Q: Is there a way to find out what financial institutions in our area utilize the SBCCI capital programs? (5/24/23)

A: A current list of participating lenders can be found on the Fact Sheets for each loan enhancement product on the SSBCI Capital page: <https://www.michiganbusiness.org/services/access-capital/lenders/>. The MEDC meets regularly with lending institutions throughout the state to cultivate new partnerships.

Q: Are Native owned businesses automatically SEDI? (5/24/23)

A: Indigenous and Native American persons are included in the definition of SEDI. The definition of SEDI-owned and VSB is included in the glossary section of the program application guide on the MEDC SSBCI TA website: <https://www.michiganbusiness.org/services/ssbci-technical-assistance-grant-program/>

Q: Is there a cap on how many TA dollars could go towards one client? (5/24/23)

A: The MEDC will defer to selected technical assistance providers to determine the appropriate dollar amount associated with services rendered to an eligible small business.

Q: Do PPP Loans count as a business owner seeking to secure federal capital? (5/24/23)

A: No - The capital funding being sought by the business owner needs to be non-COVID related.

Q: In order to meet the requirement that an eligible beneficiary must be applying for, preparing to apply for, or have applied for a SSBCI capital program or other federal or other jurisdiction small business program, does the lender have to be located in Michigan? (5/24/23)

A: No.

Q: Can you speak more to the connection between capital and TA piece? Helping entrepreneurs obtain funding with local CDFIs be considered eligible? (5/24/23)

A: Activities that support an eligible beneficiary applying for capital would be eligible. A competitive application would support a loan application to a CDFI that is participating in Michigan's SSBCI Capital Program.

Q: Are services provided to high-growth/technology VSB's eligible under this grant? (6/1/23)

A: Yes – as long as the services qualify as financial, legal and/or accounting services being provided increase readiness to apply for capital through the Michigan's SSBCI Capital Programs and other eligible programs.

Q: With regards to 'loan' funding – are companies that are looking to secure equity financing eligible or do they have to secure loan funding specifically? (6/1/23)

A: Yes, but it depends on where the equity comes from. The capital, whether loan or equity, must be tied to a SSBCI 2.0 capital program or other eligible federal, state, local jurisdiction funding source.

Q: What is the geographic requirement around which companies can be served under this funding grant? If only Michigan-based companies, how is Michigan-based defined? (6/1/23)

A: SEDI/VSB individuals served under Michigan's SSBCI grant program must be headquartered in Michigan. This will be verified by TA Providers using the business's address.

Q: Do lenders, not funded as part of the Technical Assistance application, such as CDFI partner organizations need to be headquartered in Michigan? This question does not refer to those applying for the TA grant, but those we may work with to deploy funds to MI businesses. (6/1/23)

A: As you noted above, TA Providers and subcontractors awarded under this program must be headquartered in Michigan. If eligible businesses are using a non-Michigan based CDFI as a lender and the capital meets the requirements of the SSBCI 2.0 TA Program, then it would be acceptable. As noted in the program guide, eligible capital includes: SSBCI Capital Programs or other federally backed loan and grant products such as SBA Community Advantage, SBA Microloan, CDBG, and federally funded local, regional and state revolving loan funds. Please note – the most competitive applications will be TA Providers who can demonstrate a direct link to Michigan's SSBCI 2.0 Capital Programs.

Q: How will the MEDC be defining an Eligible Beneficiary who meets the definition of "SEDI-owned business" by qualifying as an individual with "long-term residence in a rural community" and "persons who live in rural areas"? (6/8/23)

A: The MEDC will be using Michigan's Office of Rural Development's (ORD) definition of "rural," which was created as part of ORD's Rural Readiness Grant Program. A list of eligible areas are indicated on this [map](#).

Use of Funds & Budget

Q: How can TA providers decide how much they should apply for? \$135k to \$2.5M is a big spectrum. (5/24/23)

A: The MEDC will rely on TA Providers' expertise when determining the total funding request put forth as part of their SSBCI 2.0 TA Grant Program application.

Q: Can you give an acceptable fee/percentage to pay TA providers to include in the proposed budget? (5/24/23)

A: The MEDC will rely on TA Providers' expertise when determining the fee, rate, and or percentage of pay for TA providers and contractors included in their SSBCI 2.0 TA Grant Program application. The MEDC anticipates that these dollar amounts may vary depending on where the TA Provider is located within the State of Michigan.

Q: Is a match required? (5/24/23)

A: No – a financial match is not required by participating Technical Assistance Providers.

Q: For clarity, non-profits can charge an hourly rate for their coaching/navigation/connecting services? (5/24/23)

A: When providing a budget to the MEDC, it is anticipated that non-profit and for-profit business support organizations will identify their cost per service (hourly rate, cost per business served, etc). The goal of the SSBCI 2.0 TA grant program is for the MEDC to provide grants to the eligible TA providers to deliver pre-loan and post-close TA services in order to ensure that SEDI and VSB individuals can receive financial, legal, and accounting services at no cost.

Q: Just to understand, Grant funding will cover a client's service fees and eligible clients do not have to pay for it? (5/24/23)

A: That is correct. The goal of the SSBCI 2.0 TA grant program is for the MEDC to provide grants to the eligible TA providers to deliver pre-loan and post-close TA services in order to ensure that SEDI and VSB individuals can receive financial, legal, and accounting services at no cost.

Q: Do we need to break the budget up to show how the money will be used into the three tranches? (5/24/23)

A: No. The budget attachment, which will be included as part of your application, asks for a budget breakdown pertaining to the first year of the program and any subsequent years. It is not broken up into tranches.

Q: The program guide states that the SSBCI TA dollars need to be deployed within three years of an executed grant agreement, but the budget asks for a five-year financial break down. Why is this? (6/8/23)

A: Although the SSBCI TA dollars need to be deployed within a three-year time period, the MEDC is interested in the long-term sustainability of the programs/services being proposed by applicants.

TA Provider Selection Process

Q: Are funds awarded on a first-come first-served basis or as long as funds exists? (5/24/23)

A: Funds are being awarded based on a competitive application process and all applications will be scored. Funds will not be awarded to technical assistance providers on a first-come first-serve basis.

Program Implementation

Q: Are the timelines of the TA disbursement tranches to selected TA providers following the same timeline of the SSBCI loan fund tranches - or are they following their own timing? (5/24/23)

A: SSBCI Capital funding tranches and SSBCI Technical Assistance funding tranches will follow separate timelines.

Q: What type of information/documentation is required to verify SEDI or VSB status? (5/24/23)

A: It is anticipated that TA providers will have to qualify eligible beneficiaries receiving services. Additional guidance on specific compliance / reporting requirements has not yet been published by UST.

Q: What is the follow up after Grant received? (5/24/23)

A: Please see Step 5 and Step 6 of the SSBCI TA Program Guide.

https://www.michiganbusiness.org/49917f/globalassets/documents/ssbci/ta-program/ssbci-ta-application-guide_final.pdf

Q: Are we supposed to have TA clients selected already? Or can we include a plan to conduct marketing/outreach? (5/24/23)

A: No, small businesses who are using the financial, legal and accounting technical assistance services offered by TA providers do not need to be pre-selected prior to submitting your application. TA providers are encouraged to conduct outreach to eligible SEDI/VSB individuals who may benefit from the services being provided.

Administrative/Misc.

Q: Will the grant funds be taxed? If so, should TA providers ask for extra funds as a cushion to cover the amount paid in taxes? (5/24/23)

A: The MEDC encourages Technical Assistance providers to talk with their CPA/accounting firm to discuss potential tax liabilities associated with receiving federal grant monies.

Q: What is the performance period for the grant? (5/24/23)

A: The performance period of the grant is intended to be three years from the date of an executed grant agreement between the selected TA provider and the MEDC.

Q: Is there a resource where SEDI-owned firms in MI can be found? (5/24/23)

A: The MEDC does not keep a list of SEDI-owned technical assistance providers across the State; however, cross-sector and regional partnership with culturally competent providers is strongly encouraged.

Q: Do applicants need a Unique Entity Identity Identifier (UEI) number at the time of application? (5/24/23)

A: No, this is not needed at the time of application. It may be helpful to begin the process.

<https://sam.gov/content/home>